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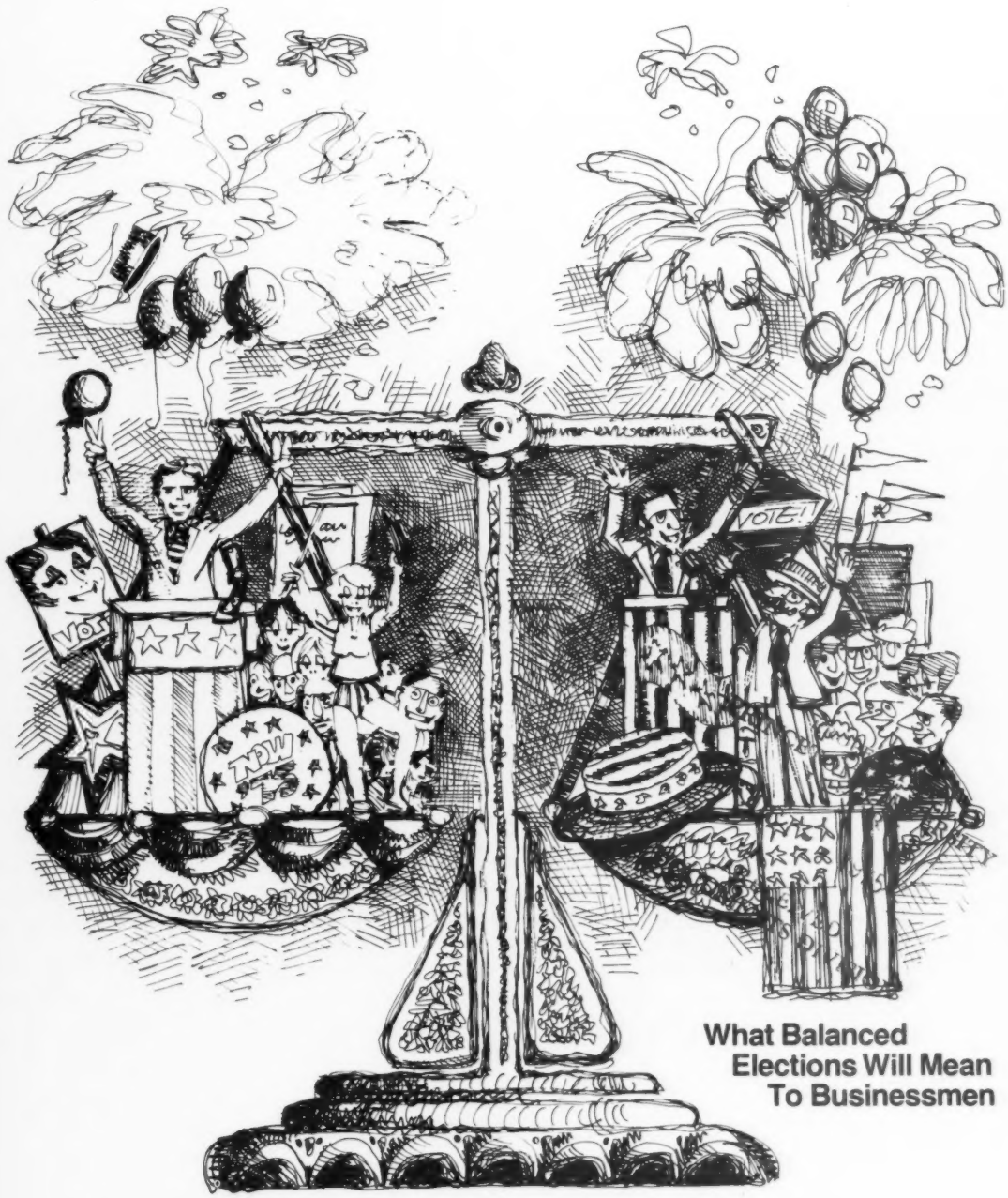

What Balanced Elections Will Mean To Businessmen

FROM THE SECRETARY

Untapped Markets In East Europe

Trade between the Western industrialized nations and the centrally-planned socialist economies has shown spectacular growth over the last decade. The 1974 total of some $43.5 billion is six times the 1963 trading level and the United States is only now beginning to realize the potential of these lucrative markets.

Our sales of large volumes of agricultural products to Eastern countries has obscured the fact that we are well behind our West European and Japanese competitors in developing the same level of exports of manufactured goods. In 1973, the United States ranked tenth among the Western nations supplying manufactured goods to the Soviet Union and Eastern Europe. Although last year U.S. exports of such goods jumped some 56 percent to $578 million, total Western-manufactured goods exports rose at almost a parallel rate of 53.8 percent to a total of nearly $16 billion, leaving our share of the market at the same 3.6 percent and our ranking unchanged.

My recent visits to Warsaw and Budapest left me convinced that we can do a great deal to improve our trading position in this part of the world. Sizable opportunities exist for American business firms willing to invest the time and resources needed to penetrate the new and still relatively untapped markets of Eastern Europe. My discussions with members of the Joint American-Polish Trade Commission support this assessment. *(See story beginning on page 8.)*

Trade between the United States and Poland will reach $900 million this year, and there is every indication that it will hit $1 billion in 1976. Poland is particularly interested in commercial, industrial and technological ventures, and at the Commission sessions identified 38 of them in such areas as the mining and energy industries, heavy industries, manufacturing, chemicals, food processing, and textiles and shoes.

Trade with Poland should continue to proceed on a clear track since Poland now receives nondiscriminatory tariff treatment, is eligible for Eximbank and Commodity Credit Corporation (CCC) credits, has large deposits of natural resources that enhance its hard currency earning capability and has set specific targets for expansion of trade with us. Our exports of manufactured goods to Poland almost tripled in 1974.

Overall, however, certain provisions of the Trade Act of 1974 have made it extremely difficult to normalize commercial relations with other socialist countries. By discriminating against them, the provisions restricting the use of normal export credit and tariff practices affect not only the U.S. ability to compete in East-West trade, but have left some American firms uncertain as to whether they should commit themselves to such ventures.

My Eastern European trip has reinforced my view that although there are obstacles to overcome, the potential for advantageous trade is there. I would hope further that these obstacles do not cloud our perspective as to the possibilities that now exist. Our attitude toward trading with the socialist countries has undergone some rapid transformations, starting from hostility and indifference in the 1950s and '60s to a euphoric outlook in the 1970s when the days of the "economic cold war" melted into history. What we must avoid now is a swing of the pendulum to disillusionment.

The United States is and must continue to be a major trading nation. We must import to obtain the materials needed to fuel our productive machinery; we must export to fully utilize our productive capacities. As a trading nation, obviously, we cannot afford to ignore our commercial relations with nearly a third of the world population.

Rogers C.B. Morton

Commerce Today

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U.S. DEPARTMENT OF COMMERCE

ROGERS C. B. MORTON
Secretary

JAMES A. BAKER, III
Under Secretary

WILLIAM F. RHATICAN
Assistant to the Secretary and Director of Communications

RICHARD BALENTINE
Editor

CLARENCE M. ZENS
Associate Editor, International Commerce

ARTHUR McDERMOTT
Associate Editor, Domestic Business

Staff Writers: *Douglas F. Carroll, Felix Cotten, Margaret L. Hanson, Leslie Wilder.*

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ECONOMIC
HIGHLIGHTS

The Current Recovery: A Comparison With Four Previous Economic Upturns

Economic Highlights is prepared by James L. Pate, Assistant Secretary of Commerce for Economic Affairs.

The upward trend in the U.S. economy in recent months is now a matter of record, and attention has turned to the strength and character of the upswing. The central issue is the solidity and sustainability of the upturn: a recovery that is too sluggish may be short-lived while one that is excessively strong and uncontrollable may lead to another boom-and-bust situation. Comparisons with early periods of previous recoveries provide a basis for gauging the strength of the current recovery and developing a range of reasonable expectations for 1976.

The latter part of the recession and the early stages of recovery have been dominated by changes in business inventories. Just as unprecedented liquidation of excess inventories exacerbated the decline in economic activity, the return to a more normal level of inventories has accentuated the upturn in recent months. The general outline of this inventory correction process is apparent in the quarterly figures on Gross National Product. Real GNP, which is adjusted for the effects of inflation, plummeted at an annual rate of 11.4 percent in the first quarter of this year, rose a modest 1.9 percent in the second quarter, and then jumped 11.2 percent in the third quarter. Continued rapid growth is expected in the fourth quarter but the rate is likely to be below that of the third quarter.

The rebound

The rapid growth in the last half of this year will be due in part to the much lower rate of liquidation of business stocks compared with the massive reductions in the first half of 1975. It is important to distinguish between the magnitude of this economic *rebound* in the third and fourth quarters of this year, and the underlying strength of the *expansion*, which will be evident in 1976.

Comparable inventory situations, such as those in 1958 and 1961, were characterized by strong rebounds in the first two quarters following recession troughs. The accompanying table shows that in the four preceding recoveries, the economy rebounded strongly in the early stages and then moved at a slower pace.

Based on the tentative conclusion that April was the low point of the recession, industrial production has increased 5.7 percent in the first five months of recovery compared with an average of slightly more than 5 percent in similar periods of the four preceding recoveries.

Similar comparisons indicate that the employment situation has improved rapidly in the current recovery relative to past performance. Between April and September, nonfarm employment increased 1.3 percent, which is nearly double the average rate of increase during the first five months of the previous four recoveries. The level of unemployment has declined 5 percent compared to a steady or slightly rising level during early stages of previous recoveries. This rapid improvement in the employment situation can be traced to the inventory situation. Inventories played a greater role in the recent recession than in previous ones, and inventory corrections can be made more quickly than other types of adjustments.

The impetus provided by the sharp swing in inventories should diminish by early 1976. While inventory investment probably will contribute significantly to economic activity next year, the main thrust will be provided by consumer spending, homebuilding, and business expenditures for new plant and equipment. Activity in these sectors is expected to sustain a fairly high rate of economic growth despite some lingering problems.

Consumer spending has increased steadily in recent months. Personal income has advanced rapidly and consumer sentiment has improved considerably from the historic lows of last winter. Employment, hours of work, and wage rates have increased in recent months, and real spendable earnings received substantial lifts from the tax reductions and rebates and the sharp drop in the rate of inflation. Despite their higher level of confidence, consumers have spent only part of the tax rebates and other special one-time payments. Households have reduced their debt and increased their savings, and they now have a large reserve of consumer purchasing power.

Automobiles sales have contributed to the improvement in the consumer sector. After falling from an annual rate of 11 million units in August 1974 to only 6.7 million in December, auto sales have since recovered to a rate of about 9 million units. Sales probably will continue to improve moderately during the remainder of 1975, bringing total sales for the year to about 8.5 million units. An estimate of 9.5 million to 10 million units seems reasonable for 1976. This would still leave auto sales far short of the record 11.5 million units sold in 1973.

Moderate housing recovery

Consumer spending for home furnishings and appliances also should be aided by further progress in residential construction. However, the recovery in housing so far has been moderate. New private housing starts are running at an annual rate of about 1.2 million units, up 25 percent from the extremely low level of last spring. Despite some problems, homebuilding is expected to continue the moderate expansion and reach a rate of perhaps 1.8 million units during the last half of 1976. One reason for the relatively slow advance is the price of housing, which has risen above the reach of many families. The typical single-family home sold for about $39,000 during the past summer, up $11,000 in only three years. Also, interest rates are over 9 percent on conventional mortgages and are edging back toward the peak of last winter.

An increase in real capital spending in early 1976 is crucial to a strong recovery. The signs in this sector are encouraging. Business equipment production increased substantially in August and September after 10 months of decline. Other important developments include the recent improvement in corporate profits and cash flow after sharp declines in late 1974 and early this year, and the rise in the rate of utilization of manufacturing capacity.

Comparisons of Current and Previous Recoveries

Real GNP, Industrial Production, Nonagricultural Employment, and Unemployment Rate During Four Previous Recovery Periods

	Business Cycle Trough Date				4 Recoveries	
Real GNP (average annual rate of change)	II 54	II 58	I 61	IV 70	average	median
2 quarters after trough	6.9%	10.3%	8.0%	6.4%	7.9%	7.5%
next 4 quarters	7.4	4.1	6.4	6.0	6.0	6.2
6 quarters after trough	7.3	6.2	7.0	6.2	6.7	6.6
Industrial Production (percent change)	**May 54**	**Apr. 58**	**Feb. 61**	**Nov. 70**	**average**	**median**
5 mos. after trough	1.8%	8.1%	6.8%	3.6%	5.1%	5.2%
next 15 mos.	17.1	13.6	8.5	6.9	11.5	11.1
20 mos. after trough	19.1	22.7	15.9	10.8	17.1	17.5
Nonagricultural Employment (percent change)	**May 54**	**Apr. 58**	**Feb. 61**	**Nov. 70**	**average**	**median**
5 mos. after trough	0.6%	1.2%	0.6%	0	0.6%	0.6%
next 15 mos.	5.8	3.7	3.0	4.3	4.2	4.0
20 mos. after trough	6.4	5.0	3.6	4.2	4.8	4.6
Unemployment Rate (percentage point change)	**May 54**	**Apr. 58**	**Feb. 61**	**Nov. 70**	**average**	**median**
5 mos. after trough	−0.2	−0.3	0.1	0	−0.1	−0.1
next 15 mos.	−1.7	−1.3	−1.6	−0.3	−1.2	−1.5
20 mos. after trough	−1.9	−1.6	−1.5	−0.3	−1.3	−1.6

Current Recovery 5 months
April 75 to September 75
5.7%
April 75 to September 75
1.3%
April 75 to September 75
−0.6

NOTE: Business cycle trough dates for four previous recovery periods designated by National Bureau of Economic Research (NBER). The trough of the most recent recession, assumed to be April 1975, has not yet been designated by NBER.

SOURCES: U.S. Department of Commerce, Federal Reserve Board, and U.S. Department of Labor

Outlook for inflation

A reversal of the 1975 moderating trend in the rate of inflation would pose the most serious threat to the generally optimistic outlook. There is widespread agreement that the high rate of inflation was the primary cause of the 1973-75 recession. A reacceleration of inflation could cause a further increase in interest rates and bring on a new round of financial disintermediation, thereby cutting off the funds needed for continuation of the recovery in housing. A resurgence of inflation also could slow or halt the growth in real incomes, undermine consumer confidence, and depress consumer spending.

Much of the recent concern about a renewal of inflation, however, seems to be a rather hasty reaction to the rapid rise in fuel and food prices in June and July. As boosts in these two elements subsided, the rate of increase in the Consumer Price Index plummeted from the extraordinarily high annual rate of 14.4 percent in July to the extraordinarily low rate of 2.4 percent in August. A reasonable estimate of the current underlying rate would seem to be in between those two figures—about 7 percent.

Furthermore, the type of economic climate now in prospect for next year—continued high unemployment and underutilization of productive facilities—has rarely been accompanied by a sustained high rate of inflation. Under these conditions, labor cost increases are usually mitigated by cyclical improvement in productivity, and there is usually an intensification of product price competition. In recent months there has been considerable buyer resistance to announced price increases by the producers of steel, aluminum, and some other products. Even the OPEC oil producers have had difficulty in fully implementing announced price increases.

Outlook for 1976

A summing-up of the various elements indicates that the extremely high rate of growth in the last half of this year—which will mainly reflect the sharp swing in inventories—is likely to fall to a considerably slower pace in 1976. A reasonable expectation for the year 1976 is real growth of about 7 percent. This compares with an estimated drop of 3 to 3½ percent this year and a decline of more than 2 percent in 1974. The coming year would be somewhat better than average by comparison with previous expansionary periods. In the corresponding stage of the preceding four recoveries, growth averaged about 6 percent.

Despite the continued improvement that is in prospect, it is important to recognize that the economy will be operating at an unsatisfactory level. Output will continue to increase, but the level of production will be well below the nation's potential; unemployment, though falling, will remain high by almost any yardstick; and inflation, while moderating, will remain at an unacceptably rapid pace.

Comparison with previous recoveries, however, does not reveal any unique characteristics or unusual pitfalls in the current recovery. It seems to contain the elements of solidity and sustainability, and in fact, is quite similar to comparable periods of the four preceding recoveries.

Newsmemo

Five major charges are currently made against multinational corporations and must be met. "The business community cannot remain less articulate than its critics," contends Robert M. Norris of the National Foreign Trade Council. The charges: 1) Multinational firms export jobs; 2) they export capital; 3) they exploit host countries; 4) they are the villains of currency crises; 5) they evade taxes. Facts and figures exist to counter each of these, in Norris' view, and he adds: "The whole story of international business must be told—warts and all—but certainly not just the warts."

Fair and enlightened codes of business conduct can also improve this situation. So believes AID Administrator Daniel Parker, who is concerned that the multinational firm is now "seen as a predator rather than a partner in development" by the poorer nations. This attitude, Parker holds, is hurting the chances of the developing countries to make the social and economic changes they need. Parker, who has been a long-time U.S. business executive, told the Council of Better Business Bureaus that it could help reverse the deterioration of business-government relationships abroad through formulation of useful self-regulation codes and guidelines.

The major trading nations that compete with the U.S. are stepping up their export support programs. Some of these developments observed by Eximbank officials in recent months: 1) a nearly $3 billion increase in concessionary credit lines to the Soviet Union; 2) a $700 million replenishment of an $850 million French fund that provides below-market loans to exporters; 3) growing support for a European Export Bank that will help multiple-country bidders on major projects. Eximbank views these with alarm as disguised price subsidies that clearly violate international trading rules.

Up-to-date Yellow Pages directories from the ten top U.S. manufacturing areas are on the way to 48 American Embassies or Consulates abroad. This contribution by A T & T Long Lines provides U.S. Commercial Officers with a valuable reference tool as they confer with businessmen abroad who wish to buy products or services from U.S. firms.

Roll out the superlatives for the Trans-Alaska Pipeline, the biggest privately financed operation ever. Teamsters, electricians, pipeliners, boilermakers, 14,000 of them, are working 12 hours a day every day, making up to $60,000 per year (but paying $10 for a steak sandwich) and striving to meet a July 1977 deadline. The project of eight companies now has a $6.375 billion price tag which will go higher. Perhaps the best way to describe this effort to move 10 billion barrels of crude oil from Prudhoe Bay above the Arctic Circle to a warm water port 800 miles south is to compare its overall extent with that of the moon program and the Normandy invasion.

The marketing specialists are looking toward the Bicentennial for appealing motifs. The '76 cars, for example, will include Musket Brown sedans, Concord Green coupes and Independence Red station wagons. According to PPG Industries, a leading automotive paint supplier, there will be other catchy Bicentennial names to be encountered on showroom floors in coming months: Continental Gray, Colonial Yellow, Mount Vernon Green and Liberty White.

Flammability regulations issued under the Flammable Fabrics Act have implications for exporters. Although U.S. products aimed at export markets are exempt from the flammability standards they must be stamped or labeled as intended for export at the time of manufacture to meet the regulations. Also, products that fail to comply with the standards cannot be sent to U.S. installations abroad. A policy statement by the U.S. Consumer Product Safety Commission that clarifies these points was published in the Oct. 1 Federal Register and is available from the Commission's Product Safety Information Center, Washington, D.C. 20207, phone 800-638-2666.

Duty Assessment by Account. This is the term used by the U.S. Customs Service for a proposed new procedure that would simplify the entry into the U.S. of commercial shipments and reduce paperwork. It would permit qualified high-volume importers to file a monthly package of entry documents and a single estimated duty deposit to cover all shipments into the U.S. during the preceding month. Currently importers must file entry documents and estimated duty deposits on shipments at each port where importations are made. The Regulations Division of the U.S. Customs Service, Washington, D.C. 20229, is accepting comments on the proposals up to Dec. 3.

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Law Sets New Rules For Business Participation In Federal Elections

Elections to federal office have become big business . . . and they're operating under a new set of ground rules which touch directly on the American business community.

Most far-reaching of the recently passed campaign reform acts are the Federal Election Campaign Act of 1971 and the Federal Election Campaign Act Amendments of 1974.

"Like most laws, which are always stated in negative fashion . . . the Act is filled with prohibitions. But actually the whole intent is to open up politics . . . to encourage businessmen and others to take a more active role," says Neil Staebler, former Michigan Congressman and vice chairman of the six-member Federal Election Commission set up to administer the Act.

And businessmen are beginning to respond to the challenge. "The Chamber of Commerce is beginning to get involved," says Kent Cooper, who heads up the Commission's Public Records Section. "Their people are always in here looking for new companies that have started political action committees. They publish lists of them every week, as part of their program to encourage more firms into action."

The National Association of Manufacturers is also publishing booklets on corporate political activity.

"Essentially, what these organizations are saying is 'Let's do it right,'" Cooper says.

Under the Act, an individual can contribute up to $1,000 per election to a candidate for federal office (the primary and general elections are considered as two separate elections), and a total of no more than $25,000 to all candidates in a given calendar year. An additional independent expenditure of $1,000 on behalf of any or all candidates, though not contributed directly, is also allowed.

Entertainment expenses of up to $500 in behalf of a candidate, as well as another $500 in travel and incidental expenses incurred while voluntarily working for a candidate are also allowed.

"Within those limits, it's obvious that most people aren't going to be cramped in their giving," says Staebler.

Committees which receive funds from at least 50 contributors and give to at least five candidates for federal office have a $5,000 limit per candidate.

The treasurer of such political committees as well as the candidates' committees, must record all contributions to or on behalf of the committee, including the identity of everyone contributing over $10, and the occupation and place of business of all contributors of more than $100. The treasurer must also maintain complete records of where the money goes.

Corporations banned

Corporations, along with banks and labor unions, are prohibited from making direct contributions, and can be fined up to $25,000 for doing so. However, there are many other avenues through which they can take effective action. Among others, they can communicate politically with their stockholders or set up and administer segregated funds through which employees can make contributions and designate recipients.

"Aerojet has administered one of these funds for quite a while," says Staebler. "We call it the two-envelope system. The company committee goes around and explains the purpose of the program to each employee. Then, every payday during a campaign, two envelopes are passed around and employees can contribute to their candidate's envelope. There's total freedom and total privacy."

"Many other firms use a checkoff system, where employees designate a certain amount to be withheld from each paycheck and contribute to the candidate or candidates of their choice. There's not as much privacy to this kind of arrangement, but it is voluntary and it does have the advantage of getting the money to the candidate. It's been my experience that people often intend to help their favorite candidate, but that very few of of them actually get around to sending

Digging Out Answers

The Federal Election Commission is charged with studying the mechanics of elections as well as their financing. "We do research in the general area of elections," says Gary L. Greenhalgh, director of the Commission's Clearinghouse operation.

"In general, we're directed to study the selection and duties of local electoral officials, voter registration practices, and voting and counting methods.

"For instance, the sale of voting machines alone is a $70-million-dollar-a-year business," Greenhalgh says, "and there's no central source except us to provide the kind of information that the nation's 6,300 independent electoral boards need to make intelligent purchasing decisions. Until we turned out a report nobody knew what equipment was available . . . what its relative advantages were . . . what were the drawbacks . . . who sells it?"

In addition to data on voting machines, the 22 reports issued to date by the Clearinghouse have dealt with such subjects as: training of election officials; a survey of state and local election boards; analysis of currently available vote counting methods; a study of election expenditures; use of computers in elections; absentee registration and voting; and the cost of administering elections.

All of these studies have been requested by local electoral officials, who desperately need the data but haven't the funds or personnel to obtain it.

Possible future studies could cover: an analysis of reasons people don't register to vote; a study of vote recount procedures; a review of the length and format of ballots and an analysis of voting by telephone.

in their contributions," Staebler recalls.

"The important thing is to preserve the voluntary spirit of it. Some companies have twisted arms, but that's self-defeating as well as being illegal. There should be no attempt to enforce conformity."

The operation of these separate funds was one of the major topics touched on in a 57-page list of questions drawn up by the Commission staff for resolution by the Commissioners. "This is the most complex piece of legislation in 40 years," says Commission General Counsel John G. Murphy, Jr., and it will take quite a bit of clarifying.

The law directs the FEC to make rules and regulations implementing the various provisions of the campaign statutes.

After considering comments received from the public, the Commission will formally propose regulations concerning the interpretation and implementation of specific provisions of the law. The proposed regulations will be forwarded to Congress for review and, if not disapproved within 30 legislative days, will be formally promulgated by the Commission.

Advisory opinions

The law provides that upon request of any individual holding federal office, any candidate for federal office, or any political committee, the Commission shall render an advisory opinion as to whether any specific transaction or activity they are undertaking or plan to undertake would constitute a violation of the Federal Election Campaign Act. The requests must deal with the requestor's activities, and cannot pertain to an opponent or some third party's actions.

Requests for advisory opinions must be submitted in writing, and will be made public in the *Federal Register*, as is the policy with all substantive Commission actions. Also, all Commission meetings and activities are completely open to the public.

Interested parties have a period of ten days from the date of such publication to submit written comments. Reasonable requests for an extension of the comment period will normally be granted. Comments should refer to the specific advisory opinion number and should be directed to the FEC Office of General Counsel, Advisory Opinion Section.

The Commission advises businessmen to get its opinion before venturing forth on any new political enterprise. "All our decisions do is confer immunity," says Staebler. But then, immunity can be a very nice thing to have in an area of sometimes fuzzy legality.

The Commission's rulings are subject to the approval of Congress and later, of course, of the courts. If the Congress, a court or the Commission itself should later decide that certain conduct is illegal, anyone practicing it on the basis of an advisory opinion by the Commission could not be prosecuted.

Since only candidates and political committees are entitled to directly request the Commission's advisory opinions, individual businessmen would probably fare better by submitting requests through their candidates or the committees to which they contribute (They may already have the answer).

Furthermore, since the Act requires all individuals making more than $100 in independent expenditures on behalf of a candidate to report such expenditures, in effect these individuals constitute "committees of one" and can submit requests for advisory opinions on that basis.

Opinions of counsel

However, requests from individuals who cannot qualify on that basis are answered by the General Counsel's Office as time permits. But these "opinions of counsel" lack the authority and the immunity of official Commission opinions.

"We've already issued about 30 advisory opinions and opinions of counsel and we expect to have the backlog cleared up by late October or mid-November," General Counsel Murphy says. "We will also be issuing large packages of regulations on disclosure and public financing by then. Once we get current we'll start preparing manuals for each affected group, such as small businessmen, large corporations and labor unions."

To date, the Commission has decided, among other things:

- That a corporate donation of the use of a computer to analyze the results of a questionnaire constitutes a corporate contribution made for purposes of influencing a federal election;
- That money from the educational fund of a labor union may not be donated to the office accounts of incumbent senators and representatives if the fund is composed of dues money;
- That a local chamber of commerce may not pay travel expenses of a presidential candidate addressing it if the funds include dues from a corporation barred from making campaign contributions;
- That even non-profit corporations, such as a VFW Post, are subject to the law's ban on corporate contributions (however, the Commission exempted non-profit organizations which are created expressly and exclusively to engage in political activities);
- That partnership groups can only make federal campaign contributions of $1,000 per candidate in each election. The portion of a partnership's contribution attributed to an individual partner would be subtracted from that individual's poten-

Pros Can Speed Computer Vote

Computer professionals are being urged to assist state and local governments in effectively applying computer technology to elections.

Roy G. Saltman of Commerce's National Bureau of Standards made this appeal to the Annual Conference of the Association of Computing Machinery (ACM) meeting in Minneapolis.

Saltman authored a report on the "Effective Use of Computer Technology in Vote Tallying" prepared by NBS at the request of the Federal Elections Commission (formerly the Clearinghouse on Election Administration of the General Accounting Office). To date, 4,500 copies of the report have been distributed to election officials in jurisdictions with populations over 25,000.

Saltman stresses that state legislators and local government administrators need the expertise that computer scientists and specialists can supply to assure the security and accuracy of computerized elections, and prevent the loss of public confidence in the results.

He suggests that computer professionals volunteer their services through their professional associations, as was done by the ACM Detroit Chapter during difficulties experienced in the 1970 elections there.

To compile the report, Saltman and a research team from the NBS Institute for Computer Sciences and Technology undertook a year-long investigation of computer elections in this country. The NBS team interviewed numerous state and local government election administrators and suppliers of election hardware, software, and services. Saltman says he found "no evidence of any deliberate attempt to alter a computer program to change an election outcome."

According to Saltman, management failures, human operational failures, and technical failures have plagued computerized elections in the past. However, better management of election preparation, including testing and checkout of the system, supplies, and personnel prior to the election can prevent most of the subsequent technical and human failures.

Approximately 33 states have passed legislation permitting vote tallying systems employing various types of electronic computer devices or machine-readable ballots. These systems are used by 10-15 percent of the American electorate.

WORKING SESSION—*All activities of the Federal Election Commission are completely open to the public. Commission members, from left around table, are: Vernon W. Thompson, Chairman Thomas B. Curtis, stenographer, Robert O. Tiernan, Joan D. Aikens, Thomas E. Harris (hand to head), General Counsel John G. Murphy, Jr., and Vice Chairman Neil O. Staebler (back to camera).*

tial contribution limit to the same candidate or committee;

That some direct corporate contributions to attract political conventions are permissible, if the donating firms also make similar contributions to attract nonpolitical conventions, and if the contribution is made in the "reasonable expectation of a commensurate commercial return during the convention."

All formal notices issued, including notice of intended rulemaking, rules and regulations adopted, requests for advisory opinions, the final advisory opinions, and such other guidelines as are established are being published in the *Federal Register* and the *Congressional Record*. Such notices will include the period during which public comments on any proposal may be submitted.

In addition, the Commission is now developing an informal newsletter to report all of its actions, and will seek the widest possible public distribution for it.

Penalties

Expenditures aimed at influencing the casting of a ballot, or using the promise of employment or the threat of dismissal to influence voting are punishable by fines of up to $1,000 or a year in jail or both. If the expenditure was willful, the fine can go to $10,000 and/or two years in prison.

As mentioned above, banks, corporations and labor unions can be fined up to $25,000 for making contributions to candidates. Any officer or director of such an organization who knowingly consents to such an illegal contribution can be fined up to $1,000 or imprisoned for a year, or both. Again, if the violation was willful, the limits are $50,000 and/or two years. Persons receiving such contributions are subject to the same penalties.

Contractors doing business with the U.S. Government are forbidden to contribute to any federal electoral activity, under threat of a fine of up to $25,000 or imprisonment up to five years, or both.

Anyone using another's name to make a contribution, or knowingly letting his own name be used by another to make such a contribution can be fined up to $25,000 and/or imprisoned for a year. Anyone knowingly accepting such a contribution is subject to the same penalties.

"The greatest overall value of this new law, as I see it as a concerned citizen and not in my role as a commissioner, is what the political system is going to gain from the participation of the business community," says Staebler. "They have been very reluctant to date, but this law sets out the limits quite clearly for them.

"It will let everybody in politics sleep better at night. They know what they can do and they know what the opposition can do.

"It doesn't take a whole lot of effort to stay within the rules. It frees everybody's mind and lets them compete with one another."

Thus, as another election season approaches, it is more important than ever that businessmen learn the rules before playing the game.

Having survived challenges in the lower courts, the Federal Election Act has been appealed to the Supreme Court, where it has been scheduled for early consideration. In the meantime it remains in effect, having been applied to the September election for a U.S. Senate seat in New Hampshire, and all preparations are being made to conduct next year's Presidential Election under its provisions.

Complaint Procedure

Any person who believes the federal election laws are being violated can file a written, notarized complaint with the Federal Election Commission. The complainant's address and phone number should be included. The complaint must name the person against whom the complaint is made, should describe the alleged violation(s) in detail, and include copies of all evidence.

After determining that the matter raised in the complaint is within its jurisdiction and that an apparent violation of the law is involved, the Commission will send a copy of the complaint to the respondent. FEC notification of the respondent shall not be made public unless and until the respondent gives specific permission.

The respondent shall be given a specific period within which to reply in writing to the allegations, normally ten days. The Commission will send a copy of this response to the complainant and will facilitate the subsequent exchange of such information between the parties involved.

If the complaint warrants, the Commission may refer the alleged violation to the Justice Department or make an investigation of its own. An opportunity for a hearing will be provided, in the event of such investigation.

U.S.-Polish Trade Heading Toward $1 Billion Level; Proposals Outlined

Predictions that the level of two-way trade between the United States and Poland will reach $900 million this year and $1 billion in 1976 were made by U.S. and Polish officials after trade discussions in Warsaw this month. The talks also laid the groundwork for a number of specific opportunities for commercial, industrial and technological cooperation between U.S. and Polish enterprises.

At a press conference in the Polish capital that followed the Fifth Session of the Joint American-Polish Trade Commission, Secretary of Commerce Rogers C. B. Morton noted that many negotiations are currently in progress between American firms and Polish enterprises and said these are examples of the good prospects now existing for continuing expansion in U.S.-Polish trade.

A year has elapsed since a Joint Statement on Economic, Industrial and Technological Cooperation had been issued in Washington by President Ford and the visiting Polish leader, Communist Party First Secretary Edward Gierek. That statement looked toward a goal of $1 billion in U.S.-Polish trade for 1976. Secretary Morton remarked at the Warsaw press conference that, with an apparent 1975 total of about $900 million in prsopect, there is every reason to believe that the 1976 goal would be reached.

Joining Secretary Morton at the press conference was Polish Vice Premier Kazimierz Olszewski, who served with him as co-chairman of the Joint Commission meetings on Oct. 6-8. Olszewski was Poland's Minister of Foreign Trade until November, 1974.

During three days of meetings the Joint Commission assessed prospects for the expansion of U.S.-Polish trade and economic cooperation in both agricultural and industrial goods.

In his opening address, Secretary Morton stressed the continuous effort which must be exerted by both sides to develop trade relations of mutual benefit. He also mentioned some of the projects currently being negotiated between American and Polish companies and termed them "exciting," not only in commercial terms, but also in human terms of better living conditions and greater understanding.

As a contribution toward the expansion of bilateral cooperation, the Polish delegation submitted a list identifying specific industrial sectors and projects which they believe offer particular opportunities for commercial, industrial and technological cooperation between American and Polish firms (see accompanying article on next page). Progress in achieving such cooperation is to be reviewed at the annual sessions of the Commission.

In accepting the list, the U.S. delegation declared that it would transmit the information to the American business community, and agreed to review the proposals for compatibility with U.S. licensing requirements.

JOINT U.S.-POLISH TRADE COMMISSION AT WORK—*From left to right are: U.S. Ambassador to Poland Richard T. Davies, Deputy Assistant Secretary of Commerce Arthur T. Downey, Secretary Morton, Polish Vice Premier Kazimierz Olszewski, Vice Minister of Foreign Trade Stanislaw Dlugosz, economic plans official Jozef Pajestka, Vice Minister of Foreign Affairs Romuald Spasowski.*

Poland Welcomes Ventures In 38 Fields

A Polish list of priority areas for commercial, industrial and technological cooperation between Poland and the United States was presented to the Joint American-Polish Trade Commission's fifth session in Warsaw. The U.S. side indicated that some items on the list may conflict with the U.S. Export Administration Act. Interested U.S. firms should consult in advance with the Bureau of East West Trade's Office of Export Administration on export licensing requirements and with its Trade Development Assistance Division for marketing advice.

The list does not preclude the development of cooperative arrangements in other fields of economic activity, but calls special attention to the following:

In the mining and energy industries:

- Cooperation in chemical conversion of coal.
- Cooperation in production of equipment suitable for modern methods of coal extraction and coal processing.
- Cooperation in manufacturing of geophysical equipment, seismic apparatus, drilling and research equipment for geology.

In heavy industry:

- Expansion of copper industry (copper processing and ingot-less copper rolling).
- Expansion of aluminum metallurgy and aluminum processing.
- Iron and steel metallurgy (rolling mills, wire and pipe drawing, foundries and forges).
- Coke production.
- Cooperation in production of high power steam turbines.
- Expansion of shipbuilding (construction of specialized vessels of the displacement up to 70,000 TDW, mainly barge-carriers, RO-RO, container and semi-container ships, produce-carriers).

In manufacturing:

- Production of integrated circuits (LSI), thyristors and diodes for detection.
- Cooperation in production of van-type vehicles.
- Cooperation in production of machine tools.
- Production of abrasive discs.
- Construction of an electric motor plant.
- Cooperation in production of color TV picture tubes and heat resistant glass.
- Cooperation in manufacturing of agricultural aircraft and aircraft engines.
- Cooperation in manufacturing construction machinery.
- Manufacturing of finishing machines for knitting and dyeing.
- Cooperation in manufacturing of modern measuring and control apparatus.

In chemicals:

- Cooperation in production of antibiotics.
- Manufacturing of polyester fibers and DMT.
- Manufacturing of modern plant protection agents (carbamide, urea, etc.).
- Construction of a fertilizer complex (ammonia, urea and NPK plants).
- Expansion of synthetic leather manufacturing.
- Construction of a high active carbon black factory.
- Manufacturing and processing of plastics.
- Manufacturing of synthetic rubber (especially chloroprene).
- Production of freons and hydrofluoric acid.
- Production of graphite electrodes and of electrode needle coke.

In textiles and shoes:

- Manufacturing of knitwear and of decorative silk fabrics by modern methods.
- Cooperation in clothing industry.
- Cooperation in leather footwear industry.

In food processing:

- Production of concentrated fodder on mineral and urea type.
- Construction of chicken slaughtering and processing plants.
- Manufacturing of textured protein.
- Establishment of technological lines for manufacturing of tomato concentrate.
- Establishment of technological lines for manufacturing of soft drinks.
- Manufacturing of potato-based products.

Questions of business facilities, credit conditions, trade promotion, trade legislation provisions, and export licensing were also discussed by the Commission working groups.

The U.S. delegation, in addition to Secretary Morton, included representatives of the Departments of Commerce, State, Treasury and Agriculture, the White House Council on International Economic Policy and Office of Special Representative for Trade Negotiations. Among the individuals participating were Arthur A. Hartman, Assistant Secretary of State for European Affairs; Arthur T. Downey, Deputy Assistant Secretary of Commerce for East-West Trade; and George Aldrich, Deputy Legal Advisor of the Department of State.

Polish Commission members participating in the fifth session included Stanislaw Dlugosz, Vice Minister of Foreign Trade and Maritime Affairs; Marian Krzak, Vice Minister of Finance; and Romuald Spasowski, Vice Minister of Foreign Affairs.

During his visit in Poland, Secretary Morton met with several Polish leaders, including First Secretary Gierek, Prime Minister Piotr Jaroszewicz, and the Ministers of Foreign Trade, Foreign Affairs, and Finance. Minister of the Machine Industry Tadeusz Wrzaszczyk accompanied the Secretary on a tour of the Swierczewski Precision Cutting Tools Plant. Secretary Morton paid tribute to victims of World War II by laying wreaths at the Heroes of Warsaw Memorial and the Warsaw Ghetto Monument.

The U.S. Trade Development Center in Warsaw hosted a meeting between Secretary Morton and representatives of the Warsaw offices of American companies. The businessmen briefed the Secretary on business prospects and conditions in Poland.

On leaving Poland Secretary Morton traveled to Budapest, where he met with Hungarian Prime Minister Gyorgy Lazar and Minister of Foreign Trade Jozsef Biro. He also attended a roundtable session for key businessmen in Hungary sponsored by the Hungarian Chamber of Commerce.

Although Secretary Morton's stop in the Hungarian capital was brief, it afforded him an opportunity to explore with Hungarian officials various possibilities for the expansion of trade. Pursuing this objective, he invited Deputy Prime

IN POLISH CAPITAL—*In photo at left, Secretary Morton takes part in discussion with representatives of American firms at U.S. Trade Development Center in Warsaw. Above, he is welcomed by Poland's leader, Party First Secretary Edward Gierek (right).*

Trade Center, Fair

The U.S. Trade Development Center in Warsaw provides assistance to visiting U.S. businessmen in identifying and meeting key purchasing officials for specific products. It also provides rooms for conferences, business seminars, and small displays or exhibits, and arranges for translation, secretarial and reproduction services, and communications facilities. For further information, contact: Director, U.S. Trade Development Center, Wiejska St. 20, 00-490 Warsaw, or Director, Trade Promotion Division, Bureau of East-West Trade, U.S. Department of Commerce, Washington, D.C. 20230.

Another important U.S. trade promotion effort in Poland is the U.S. exhibition at the annual Poznan International Fair, to be held next year from June 13 to 20. For information on this exhibition, contact the Bureau of East-West Trade's Promotion Division at the address given above.

Minister Gyula Szeker and Foreign Trade Minister Biro to visit the United States in 1976 to continue the dialogue begun in Budapest.

While in Europe Secretary Morton also met with the staffs of the U.S. Trade Centers in London and Paris. In London he held discussions with Eric Varley, Britain's Secretary for Industry, and Lord Balogh, the Minister for Energy. In Paris he held a press conference at the Paris Chamber of Commerce and Industry and then addressed a luncheon attended by Chamber members.

AT POLISH FACTORY—*An official of the Swierczewski Precision Cutting Tools Plant describes operations to Secretary Morton and other members of the American delegation. At right in photo is Tadeusz Wrzaszczk, Minister of the Polish Machine Industry.*

Businessmen Across Country Aim To Dispel Negative Image

In Torrance, California, a group of 36 business leaders have banded together in a task force to carry out a major campaign aimed at improving the image of business. They have set up a program called "Project Responsibility—Speak Up for Business," which is intended to carry the story of American business to the community.

The program includes direct interviews with the thought leaders of the community, among them members of the City Council, city department heads, school administrators, teachers, civic leaders, pastors, and others. Other means employed are a speakers' bureau in which businessmen tell the business story to various local groups and to high school classes; plant tours for students; an advertising campaign; suggested editorials to house organs and other publications; material to stuff into pay envelopes, invoices, statements, customer bills, payments to suppliers, etc.; little "tents" placed on restaurant tables; messages for bulletin boards; bumper stickers, and other ways.

This effort is essentially a response to today's attacks on business and an attempt to dissipate the hostility toward the free enterprise system which these attacks have generated.

One bumper sticker circulated in Torrance reads: "Business is an endangered species."

Lack of understanding

The Torrance group blames much of the hostility on misinformation and a misunderstanding of how the system operates, and to widespread economic illiteracy in the nation.

Consequently, their campaign is in a large degree an educational effort. For example, they are trying to dispel the notion that "profit" is a dirty word. Profits, they attempt to explain, are the primary source of money in America, the dynamic, moving force that funds projects, builds and expands shops and factories, creates jobs, pays taxes, finances education, supports welfare, provides capital, and does the various other things that keep the nation's economy alive and maintain its standard of living. The business that does not make a profit, they emphasize, cannot long provide jobs, and in consequence destruction of profits also would destroy jobs.

Another concept the businessmen are trying to dispel is the popular notion of the level of profits. They cite a survey by the Opinion Research Corporation showing that the average American thinks business gets a profit of 28 cents on each dollar it takes in, and that a reasonable profit would be 10 cents on the dollar. Actually, *Fortune* magazine's largest 500 corporations averaged less than half of that—4.3 cents in profits per dollar of sales—during 1974.

Simon supports

In a recent letter to George H. Whittlesey, President of the Torrance Area Chamber of Commerce, Secretary of the Treasury William E. Simon congratulated him on the Torrance campaign, and said: "The project is an excellent grassroots effort to explode the myths and misconceptions that too many Americans have about the private enterprise system and it should be emulated, in one form or another, in every community.

"You have taken on an enormous, and tremendously important educational job. Surveys indicate that the typical adult thinks that after-tax business profits are six times what they actually are, leading to the attitude that corporations must be 'raking it in' while the man on the street bears the brunt of inflation.

"The harm is that these attitudes are often translated into anti-business legislation which further retards our ability to accumulate capital for investment, revitalize our production base and get this country back on the track of solid, durable economic growth."

Torrance is the third largest city in Los

GETTING TOGETHER—*Businessmen across the country are regularly getting together with high school groups such as the above to discuss the role of business in the society.*

ROUNDTABLE DISCUSSION—*Youngsters get early exposure to the free enterprise philosophy in Waukesha, Wis. Here, sixth-graders take part in a seminar with local businessmen.*

CHECKING ON THE OUTLOOK—*Students attending "Opportunities Labs" sponsored by their area's Chamber of Commerce can get a line on career opportunities in various fields.*

Angeles County. More than 200 major firms have offices there.

The Torrance campaign is one of many being conducted throughout the United States. U.S. Chamber of Commerce officials report that several thousand local chambers of commerce, corporations, groups, and individuals, are involved in carrying out or planning campaigns designed to improve the image of business. These range all the way from business-youth dialogues to more elaborate programs involving education of youth, employees, consumers, and the general public, and communication with opinion leaders in government, the media, and the clergy.

The U.S. Chamber of Commerce is seeking by next June 30 to identify 1,000 local chambers and business organizations that are carrying on some sort of campaign in this area. The U.S. Chamber has sent out to state and local chambers, trade and professional groups, corporations, and individuals, 5,000 copies of a kit entitled "America Needs to Know," containing material aimed at presenting the business viewpoint.

The Chamber is devoting special attention to communicating to people the essentials of basic economics, since businessmen feel that economic illiteracy is at the root of the antagonism toward business. At present, the National Chamber is promoting a program called "Economics for Young Americans" which sponsoring corporations undertake to introduce into schools in cooperation with local school boards.

Most of *Fortune* magazine's 500 leading corporations are said to be carrying out some kind of educational program aimed at interpreting business to the public. Multinational corporations are reported to be showing an increasing interest in promoting a better understanding of business in the United States and abroad. Similar efforts are under way in various countries. Sweden is credited with having probably the best all-around program in the world for interpreting business.

Response to memo

In large degree, the effort to improve the business image in America has been in response to a memorandum prepared in August, 1971, by Lewis F. Powell, Jr., Richmond, Va., attorney who subsequently was appointed to the U.S. Supreme Court. The memorandum, entitled "Attack on the American Free Enterprise System," was prepared by Powell.

Drawing on his experience as Chairman of the Richmond City School Board and the Virginia State Board of Education, Powell outlined the dimensions of the problem, the sources and tone of the attacks, and made some suggestions as to what should be done about it.

BUSINESS IS an endangered species

SIGN OF THE TIMES—*Beleaguered-feeling businessmen in Torrance, Calif., are using this bumper sticker to call attention to their plight.*

Powell said that the attack on the American economic system was broadly based and gaining momentum and converts, and that it came from not only the extremists of the left and revolutionaries, but from "perfectly respectable elements of society," such as the college campus, the pulpit, the media, intellectual and literary journals, the arts and sciences, and politicians."

He concluded that "business and the free enterprise system are in deep trouble, and the hour is late," and that the first step should be a thorough study of the problem.

After such a preparatory study, business should apply itself vigorously to the preservation of the system itself.

"The threat to the enterprise system is not merely a matter of economics," he emphasized. "It also is a threat to individual freedom. . . .

"There seems to be little awareness that the only alternatives to free enterprise are varying degrees of bureaucratic regulation of individual freedom, ranging from that under moderate socialism to the iron heel of the leftist or rightist dictatorship."

More than a year after Powell prepared the memorandum, when he had been appointed to the Supreme Court, a syndicated newspaper columnist obtained a copy of the document and wrote an expose-type series of columns charging that it revealed Powell's "pro-big business" bias and raised questions as to his fitness "to decide any case involving business interests."

Nationwide distribution

After this publicity, the U.S. Chamber, for whose consideration the memorandum had been prepared, published it in its entirety. Subsequently, it has been distributed and studied throughout the nation. The National Chamber also appointed a task force to review Powell's suggestions and recommend a course of action. It drew up a set of recommendations which Chamber officials say have been put into effect.

Meanwhile, the Powell memorandum inspired local chambers to organize their own programs. The first to adopt a "Project Responsibility" type of effort, such as that in effect in Torrance, was the St. Paul area Chamber of Commerce.

Lyle Fisher, Vice President of 3M Company and past president of the local chamber, instigated a series of discussions with business leaders to determine the need and practicality of a program to create a better understanding of the business community's role in St. Paul.

Communications gap

The result was the formation of "Project Responsibility" in early 1973. A task force of 16 business leaders outlined plans for a program. A 500-household survey showed a communications gap and poor public understanding of business. Five affiliated task forces were established, chaired by members of the main task force, on communications, youth and education, corporate social investment, constructive consumerism, and arts and culture.

Each of the affiliated task forces have conducted extensive programs in their separate fields. Examples are:

Communications, a multi-screen presentation of "Project Responsibility" to 25 groups totaling more than 3,000 persons;

Youth and Education, formation of a Business Career Learning Center for area students in cooperation with the St. Paul school system;

Corporate Social Investment, monthly meetings to provide forums for community organizations and review of social needs;

Constructive Consumerism, organized promotion of a statewide Better Business Bureau;

Arts and Culture, a dialogue among business and political leaders and heads of local cultural organizations to create support for the St. Paul Chamber Orchestra and other artistic attractions.

Other examples are:

—The Bergen County Chamber of Commerce, Hackensack, N.J., representing the county and its 70 municipalities, appointed an Economic Education Task Force, made recommendations for action, and has mapped out an ambitious program.

—The De Kalb Chamber of Commerce, Decatur, Georgia, created a Business Image Committee, which has developed a Private Enterprise Training Program to illustrate to youth the positive aspects of private enterprise.

—The Greater Elkhart Chamber of Commerce, Elkhart, Indiana, created in 1973 a task force of 18 leaders which was later enlarged to 41 members from business, the media, education, law, government, and the clergy. Subcommittees on employees, youth and educators, opinion molders, and the general public were formed.

—The Loveland, Colorado, Chamber of Commerce formed in 1973 a Market Development Task Force which started out as a retail promotion program, and later was enlarged to carry out a more extensive program for interpreting business to the community.

—The Salem Area Chamber of Commerce, Salem, Oregon, formed a Business Interpretation Task Force a year ago to clear up widespread public misunderstanding about business principles, to show that those in business serve the community for the good of the community, and to cite business problems and how they affect consumers. The task force which first encountered adverse public sentiment and a chastising press, now reportedly has developed a good rapport with the local press, is involved in a Cooperative Work Experience Program with the public schools, and has gained a commitment from the business community to interpret business.

These and scores of other instances show how businessmen have been stirred throughout America to act in their own defense and that of the system which they cherish.

Energy Management Digest

IMPACT ON ANHYDROUS AMMONIA...A recent telephone survey of anhydrous ammonia producers to determine the impact of expected natural gas curtailments indicated production would be reduced by an estimated 670,000 tons from July 1975 through June 1976, with more than half of the drop occurring in the first quarter of 1976. The task force reported that about 554,000 tons, or 83 percent of the reduction in tonnage, will be in plants served by distributors dependent on natural gas supplied by interstate pipelines. A drop of just under 10,000 tons is estimated for plants on intrastate natural gas pipelines, which account for an estimated 36 percent of total annual anhydrous ammonia capacity. Inventories at the beginning of the year were the largest on record, tending to counter losses in production resulting from natural gas curtailments.

MIGHTY MITES...The smallest plants made the biggest savings in an energy-conserving drive among Ingersoll-Rand's 59 plants in the United States. The Terry Corp. of Connecticut, a subsidiary, won the competition among small category plants by cutting energy use 59 percent during 1974. The winner in the medium-sized category was the firm's Roanoke, Va., tool and hoist plant with a reduction of 42 percent, while the Torrington Co. of Clinton, S.C., topped the larger plants with a cutback of 11 percent. In the process, Ingersoll-Rand saved itself more than $500,000 in fuel costs. "The savings become more like $1.8 million when production increases are factored in," says firm vice president M. William Grant.

SOLAR PROJECT OFFICE...The Energy Research and Development Administration has established a project office to develop management guidelines and evaluate possible sites for a new Solar Energy Research Institute provided for by the Solar Energy Act. The Project Office has set November as a target date to announce site evaluation criteria and to solicit proposals for sites. A public meeting to answer questions on the criteria will be scheduled following the announcement, and a deadline for submission of proposals will be set. Final selection is expected to be made in April or May. Included in ERDA's deliberations will be two reports that one is being prepared by a committee of the National Academy of Science and the National Academy of Engineering. The other, reflecting the views of industry, is being prepared by the Mitre Corp. The two reports will contain recommendations on the Institute's role, mission and organization.

VARIABLE POWER DIESEL PISTON . . . The Energy Research and Development Administration has awarded a contract for design and development of a 120-160 h.p. diesel engine, using a new type of piston. Teledyne Continental Motors General Products Division of Muskegon, Mich., was selected to develop an engine using a piston which varies its compression ratio automatically according to power needs. The diesel engine is inherently more efficient than the common spark ignition gasoline engine and, so, provides better fuel economy. However, most diesel engines are also noisier, larger and heavier than gasoline engines of equal power. The basic engine using this variable piston could be smaller and lighter. If successful, the new engine would not appear in new cars for at least 5-10 years.

FLOATING NUCLEAR PLANTS...A nuclear Regulatory Commission progress report on floating nuclear power plants includes charts and tables which show activities of the various federal agencies to be carried out in each major phase, which include: construction of a manufacturing facility; manufacture of the floating nuclear power plants; construction of offshore and onshore facilities at a site for an offshore generating station; towing of the floating nuclear plant to the operating site and its installation in the breakwater; and operation of the nuclear power plant. Order copies from the director, Division of Reactor Licensing, Nuclear Regulatory Commission, Washington, D.C. 20555.

STUDYING SUPPLIES...ERDA is sponsoring a study designed to anticipate possible shortages of materials, including conductor materials, wood, steel and petrochemicals, used to manufacture electrical products. The 14-month study is being conducted for ERDA by the Research Laboratories of Westinghouse Corp. under a $163,000 contract. In addition to determining the extent of material shortages that are likely to occur, researchers will identify possible substitutes for these materials, make recommendations for further research and development, and suggest national policies to help avoid materials shortages.

DOMESTIC BUSINESS REPORT

Technical Seminars Bring Government's Expertise To Nationwide Audiences

In another example of business-government cooperation, Commerce's National Technical Information Service has contracted with private industry's New York Management Center to develop educational programs for business and government personnel.

These several programs, which include a series of seminars and conferences, will each be repeated three to five times annually and will cover a range of mutually-agreed-upon subjects in selected areas where NTIS has significant research information.

The programs will begin in November and continue indefinitely.

The first events scheduled under the arangement will be seminars on solar energy and government project management.

New York Management Center is an independent educational organization which provides assistance to universities, consulting firms, publishers and other professional groups in the design, promotion and delivery of seminars and conferences.

The National Technical Information Service of the U.S. Department of Commerce is a central source for the public sale of government-sponsored research, development and engineering reports and other analyses prepared by Federal agencies, their contractors or grantees. The NTIS information collection exceeds 800,000 titles. It supplies the public with approximately four million documents and microforms annually.

The solar energy seminars will begin with an intensive four-day session in Washington, D.C., November 3-6. Subsequent meetings are scheduled for Chicago (Nov. 17-20), Los Angeles (Dec. 8-11), Houston (Feb. 2-5) and New York (March 1-4.

The Friday following each seminar will be devoted to a special "Profit Opportunities Workshop."

$1.3 billion market

The seminars will focus on the use of solar energy for domestic heating and is expected to attract heating and ventilating contractors as well as equipment and materials suppliers, architects, and companies interested in getting into this growth area. A recent study indicates that the market for solar climate control could reach $1.3 billion by 1985.

The three-day seminars on project management will be aimed at lifting the sights of managers, at helping middle managers who want to move up, and at attaining maximum staff performance and project output objectives. Throughout the program, emphasis will be placed on a full range of management techniques.

They will open in Washington Feb. 23-25, with a subsequent session in Chicago March 29-31.

For details on these and other upcoming programs under the agreement, contact Heidi E. Kaplan, Information Services Manager, New York Management Center, 360 Lexington Ave., New York, N.Y. 10017 (212-953-7262).

Available to firms

In a related development, the most promising new inventions resulting from Federal Government research—along with details on how to license them—will be covered in a two-day seminar for members of the biomedical industry, Nov. 6-7. In cooperation with seven other federal agencies, NTIS will present this first-of-its-kind event at the headquarters of the National Institutes of Health in Bethesda, Maryland.

William T. Knox, Director of NTIS, reports that, "Many government inventions have the potential for becoming valuable commercial products. In the past, too few industry representatives have had a chance to critically view the status and prospects of those inventions that could be of benefit to them.

"This seminar is an attempt to change all that. In just two days we'll cover over 25 inventions in such dynamic fields as pharmaceuticals, nuclear medicine, microbiology, biochemistry, and bioengineering. These are the same fields where a number of firms are now successfully marketing products that make use of government patents.

"The Federal Governments wants to hasten the spread of that technology."

A brief sample of the inventions—which soon could be new products for the medical profession—includes:

- Nonmetallic temperature probe;
- Thermocouple tape;
- A new method for treating leukemia . . .

Just as important as the inventions themselves, on-the-spot licensing information will be available at the seminar. Often government-owned inventions are available through royalty free, nonexclusive licenses. In addition, some government agencies may grant limited exclusive licenses when it appears that such licenses are necessary to attract risk capital. Royalties may be involved, depending on the particular inventions and the rights that are granted.

This is the first time such a seminar—solely to present government inventions—has been offered.

Reservations will be accepted on a first-come basis. Seminar fee: $150. For registration or additional details, write Biomedical Inventions Seminar, NTIS, Springfield Va. 22161, Attn: George Kudravetz (703-321-8530).

Foreign Tour Packagers Visit U.S. Vacation Centers

To get more foreign tourists to visit this country, you've got to sell the salesmen. That's exactly what the United States Travel Service is doing.

Nine tour wholesalers from six nations visited four major tourism destinations earlier this month for an in-depth look at tourism offerings in the United States.

Sponsored by USTS, the Commerce Department agency which is the national government tourism office, the itinerary included stops in Chicago, Nashville, New Orleans and the Virgin Islands.

The trip was designed to show representatives of foreign tour wholesale companies several U.S. locales which have especially high potential as destinations for international visitors.

The buyers also met directly with suppliers of domestic tourism components, including officials of hotels, sightseeing companies, tourist attractions and local tourist promotion agencies.

During their discussions, the tour wholesalers had the opportunity to make commitments for hotel rooms, tour-bus seats, airport transfers and other elements necessary for inclusion in U.S. tour packages sold abroad.

Most Industries' Productivity Slipped During 1974, Due Largely To Recession

The American economy relearned an important lesson last year: productivity and recessions don't mix. At least in most industries they don't.

Output per employee-hour fell in 1974 in two-thirds of the industries included in the Bureau of Labor Statistics industry productivity measurement program. Preliminary figures indicate declines in productivity were as great as 11.4 percent for the copper rolling and drawing industry.

Gains were recorded in only 14 industries, compared with 34 in 1973. The increases ranged from a high of 9.4 percent in malt liquor manufacturing to a low of 0.1 percent in the corrugated and solid fiber box and steel foundry industries.

The falloff in output per employee-hour in most industries can be attributed to the recession. In the total private sector of the economy, productivity declined 2.6 percent in 1974.

Productivity in both the motor vehicles and the steel industries declined in 1974. In motor vehicles manufacturing, productivity dropped 4.4 percent based on a steep decline in output of 16.0 percent and a comparatively large decline of 12.2 percent in employee-hours. Demand for domestically produced motor vehicles was poor throughout the year, and layoffs were widespread in the industry. The steel industry, slowing down after a very good year in 1973, had a small productivity decline of 0.4 percent, reflecting a drop in output of 0.1 percent and an increase in employee-hours of 0.3 percent. Steel output increased during the first half of the year, but dropped off sharply in the second half.

Slippage in petroleum

Another important industry registering a decline in productivity was petroleum refining, where a 5.5 percent decline resulted from a decrease in output of 1.8 percent despite an increase of 3.9 percent in employee-hours. The demand for petroleum products declined in 1974 due to sharply increased prices and conservation measures, which at the same time the industry was using additional employee hours to increase its refining capacity.

The radio and television set industry had a very poor year with productivity falling 9.3 percent as output dropped 17.3 percent. Declines were also recorded in household appliances (5.4) hydraulic cement (10.5) and structural clay (3.4) as these industries registered sharp drops in output due to the falloff in home building and construction activity.

Despite the generally poor year, a number of industries had significant productivity gains in 1974. Production per employee-hour in paint manufacturing increased 8.1 percent as output increased by 5.3 percent through filling back orders stemming from the 1973 shortages of petroleum-based materials. The malt liquor industry's gain of 9.4 percent was based on an output increase of 5.5 percent and a decline in employee-hours of 3.5 percent. In telephone communications, productivity advanced 7.1 percent as output increased 8.6 percent, possibly because rising travel costs diverted communications to telephones. Other industries with large gains were hosiery with 6.3 percent, metal can manufacturing with 5.9 percent, and pharmaceuticals with 5.7 percent.

More modest productivity gains were posted by a number of significant industries. Air transportation advanced by 1.3 percent. Tire manufacturing increased by 2.6 percent, or production of truck and agricultural tires more than offset a decline in passenger car tires. Steel foundries

Productivity Record

Output per employee-hour, 1968-74, (1967 = 100)

Industry	1968	1969	1970	1971	1972	1973	1974	Percent Change 1973-74
Mining								
Crude iron ore	109.3	115.8	116.0	117.1	124.4	126.7	118.1	— 6.8
Usable iron ore	103.8	106.5	105.4	103.0	106.5	108.2	97.1	—10.3
Crude copper ore	105.4	108.3	115.2	121.2	118.1	117.7	113.8	— 3.3
Copper, recoverable metal	101.0	101.3	105.1	104.9	102.5	97.0	89.0	— 8.2
Coal mining	103.3	102.0	97.1	91.0	84.2	83.8	82.1	— 2.0
Bituminous coal, lignite	103.1	101.7	97.3	91.7	83.9	83.3	81.7	— 1.9
Manufacturing								
Canning and preserving	102.5	104.4	108.2	112.6	115.4	123.9	Not available	
Flour, grain mill prod.	105.7	103.3	108.5	110.0	114.3	112.8	109.5	— 2.9
Bakery products	102.0	102.3	105.7	108.1	113.2	112.7	114.5	1.6
Sugar	104.3	102.1	111.6	110.1	116.0	113.8	110.4	— 3.0
Candy, other confectionery	104.6	97.6	104.4	114.6	128.7	135.8	131.5	— 3.2
Malt liquors	108.3	115.7	119.6	125.1	139.3	153.2	167.6	9.4
Bottled, canned soft drinks	107.4	104.6	105.2	111.2	114.2	120.0	121.4	1.2
Tobacco products—total	103.5	101.9	104.3	109.7	110.0	107.9	107.3	— 0.5
Cigarettes, chew. smok. tob.	103.5	99.2	100.8	105.6	106.1	104.8	104.4	— 0.4
Cigars	103.6	108.1	113.3	120.1	120.1	116.8	116.4	— 0.4
Hosiery	93.5	107.9	128.1	120.9	139.2	147.4	156.7	6.3
Paper, board, pulp mills	106.4	110.5	114.6	119.9	130.0	136.5	135.0	— 1.1
Corrugated solid fiber boxes	103.8	106.4	112.6	119.6	123.2	131.8	132.0	0.1
Synthetic fibers	115.7	116.8	119.5	140.7	162.1	180.0	177.6	— 1.4
Pharmaceutical preps.	106.3	113.4	116.2	125.7	134.9	133.9	141.5	5.7
Paints, allied products	110 0	113.8	101.7	114.4	119.5	112.8	121.9	8.1
Petroleum refining	102.4	105.3	104.8	109.5	120.5	132.1	124 8	— 5.5
Tires, inner tubes	106.9	103.3	105.9	114.0	118.2	117.0	120.0	2.6
Footwear	103.6	96.7	103.9	105.9	103.2	102.0	100 0	— 2.0
Glass containers	105.2	108.5	106.1	107.8	107.7	112.5	117.4	4.3
Hydraulic cement	110.9	112.3	110.3	121.5	123.3	128.8	115.3	—10.5
Structural clay prod.	106.4	107.2	112.8	122.8	127.1	130.3	125.8	— 3.4
Clay construction prod.	107.2	106.0	113.5	126.7	130.4	132.1	124.3	— 5.9
Clay refractories	103.5	111.8	110.4	109.3	114.7	122.9	128.0	4.1
Concrete products	108.0	106.8	104.4	111.7	113.7	114.5	Not available	
Ready-mixed concrete	103 0	98.6	96.0	102.5	104.8	109.0	Not available	
Steel	103.5	104.0	101.1	104.9	110.9	123.6	123.2	— 0.4
Gray iron foundries	106.1	111.4	105.8	113.0	118.9	124.7	123.3	— 1.1
Steel foundries	97.5	99.5	96.2	100.4	106.1	109.0	109.1	0.1
Primary copper, lead, zinc	117.8	120.7	116.7	121.4	135.2	140.6	124.8	—11.2
Primary aluminum	93 5	102 3	104.9	113.8	112 2	111.1	110 9	— 0.2
Copper rolling, drawing	103.8	110.3	98.6	109.6	112.6	117.7	104.2	—11.4
Aluminum rolling, drawing	104.5	107.4	109.6	119.9	140.3	154.4	153.4	— 0.7
Metal cans	104.5	107.1	105.4	105.1	108.0	109.9	116.4	5.9
Major home appliances	105.2	108.8	106.3	121.4	133.6	136.0	128.7	— 5.4
Radio, TV sets	106.7	102.8	106.2	111.6	132.2	128.4	116.5	— 9.3
Motor vehicles, equipment	108.3	106.4	102.0	119.0	123.9	126.3	120.8	— 4.4
Other								
Railroads, revenue traffic	104.3	109.2	110.1	112.4	121.4	131.5	131.2	— 0.3
Railroads, car-miles	101.8	103.8	103.6	106.7	113.8	116.2	113.3	— 2.5
Intercity trucking	106.4	109.0	106.8	113.6	120.9	123.7	Not available	
Intercity trucking, gen. frt.	105.6	107.5	102.3	108.0	114.7	122.3	Not available	
Air transport	104.4	107.3	109.6	116.8	128.7	131.3	133.0	1.3
Petroleum pipelines	105.8	114.3	121.3	124.1	142.7	156.4	Not available	
Telephone comm.	106.2	108.4	109.6	118.7	123.3	130.0	139.2	7.1
Gas, electric utilities	107.1	113.8	117.3	123.3	128.6	131.2	128.9	— 1.7
Gasoline stations	105.5	109.9	122.5	124.6	127.2	133.4	133.1	— 0.2
Hotels, motels	96.9	98.6	103.9	93.4	108.9	113.0	111.4	— 1.4

Productive Seminars

Two Commerce-sponsored productivity seminars for manufacturers attracted more than 100 Connecticut businessmen to mid-October sessions in Bridgeport and Hartford. The seminars stress methods of monitoring and measuring company performance, and increasing output without committing additional resources. They are part of a series which originated in Pittsburgh last August.

The series resulted from an enthusiastic response by businessmen to an offer made in a Commerce productivity leaflet directed at top management. "We offered to hold a seminar in any area where 50 or more executives indicated an interest," says John P. Kearney, director of Commerce's Office of Ombudsman for Business. "It's pretty much a matter of them wanting it."

Further sessions have been scheduled for Chicago, Nov. 11; Owatonna (Twin Cities), Minn., Nov. 12; Atlanta, Nov. 24; Chicago (followup), Nov. 25; Memphis, Jan. 29, and Omaha, March 20. Twenty-eight other meetings are in the planning process, with details being handled by Commerce's District Offices across the country.

Also, in answer to industry's increased interest in productivity improvement programs, the Office of Ombudsman has prepared a series of Productivity Bulletins covering various ingredients for increased productivity. They are available through the District Offices or may be obtained from the Office of Ombudsman for Business, U.S. Department of Commerce, Washington, D.C. 20230.

grew by 0.1 percent, as a large increase of 10.3 percent due largely to the manufacture of parts for the petroleum production and pipelines industries, barely outpaced a 10.2 percent jump in employee-hours. Although output decreased 3.9 percent in the bakery products industry, productivity increased by 1.6 percent because employee-hours fell by a more substantial 5.4 percent.

The full report, "Productivity Indexes for Selected Industries," 1975 Edition, will include data back to 1939 for many industries, as well as related measures of output and employment. Data on output per employee-hour and related measures for the total private economy are reported in the quarterly BLS press release, "Productivity and Costs," issued in January, April, July, and October.

Toy Standard Would Stress Product Safety

Toy buyers may soon have some help in determining which products are least likely to harm their users.

At the request of the Toy Manufacturers of America, Commerce's National Bureau of Standards is circulating to interested groups and individuals a proposed Voluntary Product Standard that would establish nationally-recognized safety requirements for toys used by children up to 14 years of age.

If the standard is found acceptable, producers and distributors may identify their toys that conform to it through appropriate marking, labeling and advertising. The consumer would be informed that toys complying with the standard should be safe during conditions of normal use or "reasonably foreseeable abuse." The latter would include instances of children taking toys apart, dropping or throwing them, or using them for purposes other than intended.

The proposed standard contains requirements for material quality, flammability, toxicology, packaging film, strings and elastics, electrical or thermal energy, impulsive noise, edges, hazardous points, and projections.

Further requirements

It also contains requirements for wheels, tires and axles; folding mechanisms and hinges; holes, clearances and protection of mechanisms; stability of ride-on toys and seats; overload requirements for ride-on toys and seats; tipping of stationary floor toys; confined spaces, small objects; simulated protective devices such as helmets, hats and goggles; projectiles, and labeling, literature and marking.

Inspection and test procedures to be used to determine the conformance of toys to the requirements of the standards are also contained.

Articles not covered by the proposed standard include bicycles; sling shots and sharp-pointed darts; crayons, paints, chalks and similar art materials; playground equipment; B-B guns; hobby and craft items and model kits in which the finished item is not primarily of play value; sporting goods, camping and athletic equipment; musical instruments and furniture; and powered models of aircraft, rockets, boats and land vehicles.

Copies of the recommended standard, designated TS 215b, are available from the Standards Development Services Section, National Bureau of Standards, Washington, D.C. 20234.

Most Americans Satisfied With Neighborhoods

Although Americans are the movingest people in the world, most of them are satisfied with their current neighborhoods.

Four-fifths of the households in the nation consider their neighborhood a good place to live, according to a survey by Commerce's Bureau of the Census.

The 1973 Annual Housing Survey showed that 80 percent of all households rated their neighborhoods as good or excellent places to live; 71 percent of central city dwellers shared this view, compared to 85 percent of suburban dwellers.

Only 3.4 percent of all households felt that specific conditions in their neighborhood were so objectionable they wanted to move—5.2 percent in central cities and 2.9 percent of suburbanites.

Street noise and heavy traffic were most frequently mentioned as neigborhood irritants—by 45.8 percent and 29 percent, respectively. Neighborhood crime was cited by 13.2 percent of the respondents.

Regarding the adequacy of neighborhood services, public transportation was cited most often—32.4 percent—as needing improvement.

The report is the second in a series of four to be published from this survey. Part A, "General Housing Characteristics," was published in September.

Part D, "Housing Characteristics of Recent Movers," and Part C, "Financial Characteristics of the Housing Inventory," are scheduled to be released shortly.

Copies of "Part B, Indicators of Housing and Neighborhood Quality," Series H-150-73B, are available for $2.75 from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, or from Commerce District Offices in major U.S. cities.

Accidentally-Netted Mammals Subject Of Hearing

Commerce's National Oceanic and Atmospheric Administration will hold an informal public hearing October 24 to obtain comments and views on the reissuance of general permits which allow the taking of marine mammals incidental to commercial fishing operations.

The hearing will begin at 9 a.m. in the Harbor Room, Royal Inn at the Wharf, 1355 Harbor Drive, San Diego.

The Commerce Department agency is holding the hearing so that as many people as possible may personally participate in the discussions concerning the permits.

The hearing is in addition to one held earlier by the National Marine Fisheries Service in Washington, D.C.

Population Drift To Cities Seen Ending; Money Is Drifting Out

A clearer picture of the pattern of recent metropolitan and nonmetropolitan population growth between 1970-74 is provided in a study by Commerce's Bureau of the Census.

Earlier reports indicated that, between 1970 and 1974, areas defined as metropolitan grew at a much slower rate than during the 1960-70 decade. The 1970-74 rate was so slow, in fact, that nonmetropolitan areas outpaced metropolitan areas—an apparent reversal of the population pattern long prevalent in the United States.

The new study clarifies the picture by including areas added after 1970 to already existing metropolitan areas as well as a number of small cities that have since been recognized as metropolitan areas. Even if these areas are taken into account, the increase in total metropolitan population still amounted to only 4 percent between 1970 and 1974. Nonmetropolitan areas (as defined in 1974) showed about the same 4 percent increase between 1970 and 1974. Thus, the new study confirms that the old pattern of rapid metropolitan growth and much slower nonmetropolitan growth no longer holds.

The study also compares the characteristics of central city and suburban populations. Despite the "family-oriented" image of the suburbs, the survey found only a small difference between city and suburbs in the proportion of white families which have no children under 18 living at home—about 50 percent of white city families compared to about 43 percent of white suburban families—and no significant difference for black families. Average family size showed some distinction between city and suburbs for whites—white city families averaged 3.2 persons while white suburban families averaged 3.5— and no distinction at all for blacks.

Dollar difference

Persons moving out of central cities earn more than those moving into them. The mean income in 1973 for families who moved out of cities between 1970 and 1974 was about $14,200, compared to $12,900 for familise who moved in.

Taking into account the fact that 5.9 million more people moved out of cities from 1970 to 1974 than moved into them, the report concludes that migration meant a substantial income loss to the nation's cities. The aggregate 1973 income of those who moved out of cities during 1970-74 was $55.3 billion, about $29.6 billion more than the income of those who moved in.

Detailed tables in the report relate area of residence to a wide variety of social and economic characteristics including educational level, occupation, income, and poverty.

A special feature is the breakdown of nonmetropolitan counties into three groups according to the size of the largest place in the county.

Copies of *Social and Economic Characteristics of the Metropolitan and Nonmetropolitan Population: 1974 and 1970*, Series P-23, No. 55 are available for $2.55 from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402 or from Commerce District Offices.

Calendar For Businessmen

Oct. 30—Norfolk—Educational Seminar on Transportation, Holiday Inn—Scope. Sponsor: Delta Nu Alpha Transportation Fraternity #51. For information, Chuck Nelson, Virginia Port Authority (804-622-1617).

Nov. 3-6—Gaithersburg, Md.—Conference on Electrical Insulation & Dielectric Phenomena. Admin. Bldg., Nat'l Bureau of Standards. Sponsors: NBS, Nat'l Acadamy of Science. For information, Dr. Nelson Grisamore (202-389-6486).

Nov. 3-7—Washington — Solar Energy Technology & Opportunities seminar, Executive House. Sponsor: Commerce's National Technical Information Service. For information, Ms. Heidi Kaplan, New York Mgt. Ctr., 360 Lexington Ave., New York 10017 (212-953-7262).

Nov. 3-7—Tucson—The 1975 Annual Reliability Engineering & Mgt. Institute, Ramada Inn. Sponsor: Univ. of Arizona. For information, Dr. Roy Post, College of Engineering, Univ. of Arizona (602-884-3054).

Nov. 4-5—Chicago—International Energy Engineering Congress, Palmer House. For information, Clapp & Poliak, Inc., 245 Park Ave., New York 10017 (212-661-8410).

Nov. 6-7—Bethesda, Md. — Biomedical Inventions Seminar, National Institutes of Health. Sponsor: National Technical Information Service. For information, George Kudravetz, NTIS, Springfield, Va. 22161 (703-321-8530).

Nov. 9-11—Marlboro, Mass. — Audio-visual Trends for the Future, The Learning Ctr. For information, Institute for Graphic Communication, 375 Commonwealth Ave., Boston, Mass. 02115 (617-267-9425).

Nov. 9-12—San Diego—Industrial Development Research Council annual Area/Industry Conf., Islandia Hyatt House. For information, IDRC, Peachtree Air Terminal, Atlanta, Ga. (404-458-6026).

Nov. 10-11 — Washington — National Council on Urban Economic Development annual meeting, Statler Hilton Hotel. For information, Kenneth Fry, NCUED, Washington, D.C. (202-293-6911).

Nov. 11—Arlington, Va.—Mineral Economics Symposium on Critical Commodities, Quality Inn/Central. Sponsor: American Institute of Mining, Metallurgical and Petroleum Engineers. For information, Barry Klein, U.S. Bureau of Mines, 2401 E St., NW., Washington, D.C. 20241 (202-634-1167).

Nov. 12-14—Philadelphia—How To Restore The Will To Work In Your Organization: Concepts & Techniques seminar, Drexel Uni. For information, Seminar Administrator, Continuing Professional Education, Drexel Univ., 32nd & Chestnut Sts. Philadelphia, Pa. 19104 215-895-2154).

Nov. 13-15—New York — 83rd Annual Meeting, Society of Naval Architects & Marine Engineers, New York Hilton Hotel. For information, SNAME, 74 Trinity Place, New York 10006 (212-785-9838).

Nov. 16-18—Ipswich, Mass.—Planning for Tomorrow's Computer Technology workshop, Institute for Graphic Communication Conference Center. For information, IGC, 375 Commonwealth Ave., Boston, Mass. 02115 (617-267-9425).

Nov. 17-19—New Carrollton, Md.—Minicomputers: The Applications Explosion, Sheraton Inn-Northeast. For information, American Institute of Industrial Engineers, P.O. Box 25116, Los Angeles, Calif. 90025 (213-826-7572).

Nov. 17-20—Chicago — Solar Energy Technology & Opportunities seminar, Sheraton-Chicago Hotel. Sponsor: National Technical Information Service. For information: Ms. Heidi Kaplan, New York Mgt. Ctr., 360 Lexington Ave., New York 10017 (212-953-7262).

Nov. 18—Philadelphia — Strategies for Resolving Organizational Conflicts, Drexel Univ. For information, Director, Continuing Professional Education, Drexel Univ., 32nd & Chestnut Sts., Philadelphia, Pa. 19104 (215-895-2154).

Host-Country Commercial Specialists Enhance Service To U.S. Businessmen Abroad

At your service, American businessmen: Somsak Chinvanthananond, Bangkok; Ahmad Haysim, Jakarta; Eugene Huang, Taipei; Cleo Ledonio, Manila; Chia Wai Peng, Singapore; Maggie Rocha, Hong Kong; Yap Kim Swee, Kuala Lumpur; Hiromi Ushijima, Tokyo. The names suggest the Far East, but their common affiliation is this: employee of the United States Government.

Each is a commercial specialist employed by the Foreign Service and hired locally to provide assistance to businessmen in his or her country and U.S. businessmen who go there from the United States.

The group was in this country participating in a joint State Department, Commerce Department training program for Foreign Service "locals"—FSLs, as they are called.

The assistance that a U.S. businessman abroad receives from the Foreign Service is greatly enhanced by the services of such host-country commercial specialists who know the language, the customs, the local business and government officials, how to do business in their countries, and where to look for trade opportunities. Also knowledgeable about U.S. trade promotion events and services, they can thus help provide the linkage that may lead to new business.

At U.S. embassies and consular posts, an FSL supplies the continuity essential to a practical business service program. While U.S. commercial officers come and go every few years, the FSLs are likely to serve for 15 to 25 years. The host-country specialists often serve to introduce a newly-arrived Commercial Officer to the local business community.

Among the responsibilities of the FSL is that of providing commercial data for the Trade Opportunities Program (TOP), a Commerce computerized mail service under which subscribing U.S. businessmen get proposals from abroad for purchases of their products. The FSL also provides commercial information to the Department for other services including its Foreign Traders Index, World Traders Data Report Service, and Trade List Service.

Not long ago, FSLs from Japan, Colombia, and Okinawa escorted groups of potential buyers to the 30th annual National Hardware Show in Chicago (see report in Oct. 13 issue), as part of a Commerce program that encourages purchasers from abroad to visit the United States and assists them while they are here.

The number of FSLs currently employed in commercial sections of U.S. Foreign Service posts ranges from one in Blantyre, Malawi, and two in Helsinki, to four in Calcutta and Manila, six in Bogota, eight in Hong Kong, 18 in London and 20 in Paris. For such employees, State and Commerce have established a training program that includes a correspondence course in commercial work; a series of seminars conducted, usually once a year, in various parts of the world where these key employees discuss with Washington representatives and colleagues from other posts ways of assisting local and American businessmen; and a "Stateside" training project that brings specialists to the U.S. for five-week tours.

The schedule in the United States is a full one. After talking with officials at the State Department on trade policy and at Commerce on trade promotion programs the group members go to various Commerce District Offices, and from there are introduced to the world of U.S. production, distribution and financing at first hand.

The participants consult with representatives of U.S. manufacturing and service industries and provide information of their own countries' trade and investment potential for U.S. business. They observe heavy- and light-industrial—and consumer—production operations. They

FROM THERE TO HERE—*From U.S. Embassy in Kuala Lumpur, Yap Kim Swee (right), commercial specialist in Washington for training session, watches as trade opportunity telexed from his desk in Malaysia is computerized for distribution to subscribers of Commerce's Trade Opportunities Program (TOP) mail service. Cecil Crider (left) handles the trade opportunities received in Washington; Helena Butler is at keyboard.*

watch how equipment is made and go also to those factories, institutions and businesses where it is used. The visitors meet with officials of banking institutions and with individual businessmen.

An FSL who has thus become familiar with how a product is made and operated in the United States can readily describe its uses to prospective buyers back home. He also has a better understanding of the roles of U.S. executives and sales managers who travel to his country on business visits.

A Cleveland Commerce District Office international trade specialist commented, "We have seen excellent, helpful follow-up correspondence from FSLs who have visited us." Meeting with banking executives and their exporting customers, an FSL sometimes is able to straighten out frustrating details of marketing problems. In so doing he strengthens his own knowledge of U.S. businessmen's needs.

Broad range of contacts

The recent itinerary of the Far East group of visitors illustrates the range of contacts that are open to them. Working out of the Hartford Commerce District Office, Mrs. Cleo Ledonio, commercial specialist from the U.S. Embassy in Manila, talked with officials at Veeder-Root in Hartford, Terry Steam Turbine in Windsor, Fafnir Bearing in New Britain, and Dunham Bush in West Hartford. Mrs. Maggie Rocha of the U.S. Embassy in Hong Kong, in addition to visiting several companies, talked with executives at the Hartford National Bank & Trust Co.

During a Birmingham visit, Hiromi Ushijima, economic commercial adviser at the U.S. Embassy in Tokyo, toured several plants—Goslin, Read Steel Products, Astralloy-Vulcan—and talked with officers of the international department of the National Bank of Birmingham and of the Birmingham Chamber of Commerce. At Memphis he had discussions with executives of the Memphis Area Chamber of Commerce, Commerce Union Bank, Chapman Chemical Co., Richards Manufacturing, Landau Uniform, Inn Keepers Supply, Union Planters National Bank, Langston Companies, Port of Memphis, and State of Tennessee.

Yap Kim Swee from Kuala Lumpur visited Greensboro, N.C. After he gave a report on Malaysia to the Greensboro District Office staff, he made visits to the Strandberg Engineering Labs in Greensboro, Carolina Biological Supply in Burlington, and Ingersoll-Rand in Mocksville.

A current training session in the United States has brought six FSLs this month from three countries—Australia, India, and Israel. Eventually, the list of FSL trainees who have seen U.S. business in action will span the globe.

World Import Growth Slows; U.S. Share Movements Mixed

Many of the world's leading trading nations continued to post sizable increases in the value of their imports during the latest 12-month period for which data are available, which roughly covers the last half of 1974 and the first half of 1975. These advances, however, tended to be much smaller than they were even three months ago when the last report in this series was published. A similar pattern was evident with respect to imports from the United States. Most countries' U.S. purchases rose in value, but at a considerably less rapid rate than in the recent past.

Contributing to the slowdown in the pace of import expansion, worldwide economic activity generally remained slack, despite efforts in nearly all of the large industrialized countries to stimulate capital investment and consumer demand. Inflationary pressures eased, as prices of various foods and industrial raw materials rose more slowly, or declined, and petroleum prices stabilized in the period under review. This leveling off of oil prices had the immediate effect of slowing the rate of expansion in the value of imports.

The U.S. share of the import market improved in half of the markets listed in the accompanying table for which 1975 figures are now available. Of our top developed markets, the U.S. share expanded in the United Kingdom, Italy, and Netherlands, held about even in Japan and France, but deteriorated in Canada and Germany. Changes in the U.S. position in the smaller developed countries were also quite mixed. A review of import data for those developing nations which have reported 1975 figures shows that declines and increases in this country's share were about equally recorded. An exceptionally favorable position was accorded U.S. goods in the 12 months ending in March in Iran, and through June, in Israel. On the other hand, the relative change in the level of goods imported from the United States compared poorly with those from other countries in Pakistan, India, the Philippines, Hong Kong, and Morocco.

Shares improve in Italy, U.K.

Italy's purchases of U.S. products climbed by nearly one-fourth in the 12 months through June, more than twice as rapidly as from other sources. Contributing to the growth in the U.S. share of that import market was a tripling in the value of coal purchases, as well as sizable increases in arrivals of chemicals, pulp, iron and steel scrap, office machinery, corn, and soybeans. Larger imports of U.S. office machines, machinery of various types, aircraft, and coal helped to improve our relative position in the British market.

In the year ending in March, Dutch imports from this country climbed by 50 percent, while those from other suppliers rose considerably more slowly. Sharply higher arrivals of U.S. coal, machinery, scientific instruments, corn, and soybeans—though partially offset by a considerable decline in imports of animal feedstuffs—contributed to the U.S. share gain.

The U.S. position remained virtually unchanged in France and Japan, which stepped up both total purchases and those from this country by around 10 percent in the year ending July. The rise in French purchases from the United States stemmed particularly from increases in coal, nonelectric machinery, and pulp. There was a rise of over $1 billion in Japanese imports of U.S. coal, and also sizable growth in those of scrap, wheat, and corn. In contrast, the quantity of that country's purchases of copper and aluminum dropped to a fraction of what they were in the preceding 12 months.

Economic Summit

Top leaders of the Federal Republic of Germany, France, Italy, Japan, the United Kingdom and the United States will meet Nov. 15, 16, 17, in France to discuss economic issues of mutual interest, including promotion of recovery in the world economy, trade and monetary policy, developments in energy and other raw material markets; and relations with other developed and developing nations.

This meeting will permit an informal and intensive exchange of views on common problems, possibilities for resolving them, and opportunities to enhance constructive cooperation.

In making the announcement, a White House official commented: "The six leaders recognize the importance their economies have to one another and to the rest of the world. They believe that they have a responsibility to consult with one another on achieving stable growth for their own countries and, in cooperation with other nations, greater global prosperity and improvements in the working of the international economy. It is in this spirit that they will convene for these discussions."

In the import markets of Canada and the Federal Republic of Germany, the U.S. share was reduced. Though Canadian imports from the United States in the 12 months ending August rose by 16 percent, led by automotive products and coal, those from other suppliers advanced somewhat more rapidly. German purchases from this country through July were 8 percent higher, while total imports climbed by about double that figure. Arrivals of office machines, electrical equipment, and defense items from the United States registered substantial increases. Among farm products, imports of soybeans continued to rise, despite strong competition in that market from Brazil, while oilcake posted a considerable decline.

There was a strengthening of the U.S. standing in some of the smaller developed countries. The U.S. share of Finnish imports expanded as the value of American goods increased over 50 percent faster than those from other sources. Large deliveries of U.S. aircraft and sizable increases in machinery purchases were primarily responsible for that growth. Substantially larger imports of U.S. corn and wheat were significant items in the sharp rise in Portugal's purchases of U.S. products, with aircraft also posting a considerable increase. The rise in the U.S. share of the Yugoslavian market stemmed from a 40 percent increase in Yugoslavia's imports from this country in the year ending June. Larger amounts of machinery and soybean oil helped account for the growth. In contrast to these areas where share increases were recorded, the U.S. position deteriorated in several other developed countries, including Spain, Australia, Austria, and Turkey.

In Mexico, the largest U.S. market among developing countries, there was a slight weakening of the U.S. posture in the year ending in March. Though Mexican purchases of U.S. products climbed by more than one-third, those from other sources rose a bit faster. The growth in purchases from this country was widespread, with especially big increases showing up in machinery, steel, aircraft, and organic chemicals. The U.S. share position also dropped in Hong Kong where imports from all sources declined, and those from the United States more rapidly than from others. Purchases of U.S. cotton, plastics, and rice, among others, fell far below the levels of the preceding 12 months. Conversely, Iran's imports from this country jumped by 180 percent, more than twice as fast as those from other suppliers. Increases covered all types of goods, but were especially large for U.S. military equipment, aircraft, wheat, rice, and soybean oil.

World Market Report

The 45 markets shown below accounted for 88 percent of 1974 imports to all free-world markets and 87 percent of imports from the United States

Values in millions of dollars — Published quarterly

Importing country	1974 Imports				1975 Imports, January through latest month					Import change in latest 12 months*	
	From world	From U.S.	U.S. share %	U.S. share excl. oil %	Latest month	From world	From U.S.	U.S. share %	U.S. share excl. oil %	From world %	From U.S. %
Germany, West	68,962	5,399	7.8	9.3	July	44,034	3,384	7.7	[1]9.4	+ 15	+ 8
Japan	62,067	12,681	20.4	30.7	July	33,768	7,152	21.2	32.2	+ 9	+ 10
United Kingdom	54,141	5,276	9.7	12.0	July	32,300	3,217	10.0	11.9	+ 11	+ 15
France	52,189	4,088	7.3	9.8	July	32,368	2,479	7.7	(2)	+ 13	+ 12
Italy	40,916	3,117	7.6	10.0	June	18,365	1,733	9.4	[1]12.5	+ 12	+ 24
Canada	34,557	22,405	64.8	74.0	Aug.	24,160	15,524	64.3	[1]74.9	+ 19	+ 16
Netherlands	33,253	2,869	8.6	10.8	Mar.	9,125	933	10.2	[1]12.0	+ 30	+ 50
Belgium-Lux.	29,516	1,930	6.5	7.2	July	17,724	1,119	6.3	[1]7.1	+ 12	+ 2
Sweden	16,370	1,041	6.4	7.5	July	11,138	700	6.3	[1]7.3	+ 43	+ 34
Spain	15,372	2,376	15.5	20.0	July	9,961	1,638	16.4	[1]20.9	+ 25	+ 22
Switzerland	14,421	945	6.6	7.2	July	8,188	632	7.7	8.4	+ 1	+ 16
Brazil	14,125	3,526	25.0	(2)	.....	.....	.....	.....	.....	+102	+ 76
Australia	12,423	2,575	20.7	(2)	May	4,709	1,016	21.6	(2)	+ 29	+ 16
Denmark	9,873	599	6.1	7.3	July	5,697	335	5.9	[1]6.6	+ 11	+ 11
Austria	9,022	259	2.9	3.1	July	5,612	157	2.8	[1]3.1	+ 11	+ 5
Norway	8,414	686	8.2	8.9	July	5,973	435	7.3	7.6	+ 26	+ 27
Singapore	8,326	1,169	14.0	18.3	May	3,515	555	15.8	(2)	+ 27	+ 41
South Africa	7,930	1,313	16.6	(2)	Mar.	2,231	358	16.0	(2)	+ 50	+ 55
Yugoslavia	7,542	354	4.7	5.4	June	3,928	220	5.6	6.1	+ 32	+ 40
Taiwan	6,984	1,685	24.1	27.3	May	2,254	683	30.3	34.8	+ 25	+ 26
Korea, Rep.	6,852	1,701	24.8	29.0	July	4,313	1,156	26.8	[1]31.9	+ 23	+ 23
Hong Kong	6,844	916	13.4	14.2	June	3,069	352	11.5	(2)	− 6	− 15
Finland	6,807	348	5.1	6.1	June	4,026	261	6.5	[1]7.9	+ 44	+ 66
Mexico	6,069	3,778	62.3	(2)	Mar.	1,424	931	65.3	(2)	+ 38	+ 36
India	5,442	762	14.0	(2)	Feb.	1,109	229	20.7	(2)	+ 66	+ 42
Iran	5,425	975	18.0	18.0	Mar.	2,280	491	21.6	21.6	+ 85	+180
Portugal	4,496	400	8.9	10.0	May	1,716	210	12.2	13.7	+ 40	+ 59
Greece	4,386	403	9.2	(2)	Mar.	1,288	132	10.3	12.5	+ 29	+ 41
Israel	4,224	756	17.9	(2)	June	2,076	456	22.0	(2)	+ 20	+ 36
Venezuela	3,842	610	15.9	16.4	.....	.....	.....	.....	.....	+ 41	+ 19
Ireland	3,805	247	6.5	7.4	July	2,284	164	7.2	8.2	+ 11	+ 26
Turkey	3,778	350	9.3	11.5	June	2,424	254	10.5	12.6	+ 62	+ 44
New Zealand	3,650	467	12.8	(2)	Mar.	860	119	13.9	(2)	+ 57	+ 64
Malaysia, West	3,486	[1]328	[1]9.4	[1]10.2	Mar.	779	83	10.6	12.2	+ 44	+ 53
Philippines	3,452	819	23.7	(2)	July	2,182	445	20.4	(2)	+ 28	− 12
Thailand	3,143	424	13.5	16.5	Feb.	485	59	12.1	(2)	+ 40	+ 43
Algeria	2,757	338	12.3	12.6	.....	.....	.....	.....	.....	+ 48	+ 77
Morocco	1,977	178	9.0	10.3	May	1,207	129	10.7	11.8	+ 66	+ 33
Trinidad, Tobago	1,782	194	10.9	38.4	Apr.	310	96	31.1	44.2	+ 69	+ 85
Pakistan	1,738	393	22.6	26.1	June	1,191	119	10.0	(2)	+ 51	− 20
Peru	1,530	476	31.1	(2)	.....	.....	.....	.....	.....	+ 49	+ 55
Jamaica	936	330	35.3	(2)	Apr.	382	132	34.5	(2)	[3]+ 40	[3]+ 27
Panama	795	215	27.0	(2)	.....	.....	.....	.....	.....	+ 63	+ 25
Costa Rica	716	248	34.7	(2)	.....	.....	.....	.....	.....	+ 57	+ 55
Guatemala	700	223	31.8	(2)	.....	.....	.....	.....	.....	+ 63	+ 64

Note: The countries shown above include the 45 major importers of U.S. merchandise in 1974 for which current data are available. In order to present comparable statistics for all countries, import data have been adjusted from an f.o.b. to a c.i.f valuation for Australia, Brazil, Canada, Philippines and Republic of South Africa.

* Compared with preceding 12 months; percentages are based on total imports, including oil.

[1] Estimated. [2] Not available. [3] Import change from the year 1973 to the year 1974.

Source: Official trade statistics of listed countries.

Czech, U.S. Chambers Establish Joint Council

The Chambers of Commerce of the United States and Czechoslovakia signed an agreement Oct. 17 establishing a Czechoslovak-U.S. Economic Council, aimed at opening direct dialogue between key commercial decision-makers of the two countries.

Co-signers of the agreement, in ceremonies at U.S. Chamber headquarters, were U.S. Chamber President Richard L. Lesher and Czechoslovak Chamber President Ludvik Cerny. Vincent Buzek, charge d'affaires of the Czechoslovak Embassy, and the highest ranking commercial delegation to visit the United States in recent years, witnessed the signing. Assistant Secretary of State Arthur A. Hartman; Gen. John M. Dunn, acting executive director, Council on International Economic Policy; Arthur T. Downey, director of the Commerce Department's Bureau of East-West Trade, and other U.S. government officials were present.

David Scott, chairman and chief executive officer, Allis-Chalmers Corp., Milwaukee, will be organizing chairman of the U.S. section of the council. American firms represented at the signing included Burlington Industries, Inc., J. I. Case Co.,

SIGNING CEREMONY—*Czechoslovak Chamber President Ludvik Cerny (right) and U.S. Chamber President Richard L. Lesher sign agreement establishing Czechoslovak-U.S. Economic Council. At left is Dr. Edward Wilson of the U.S. Chamber's Center for International Business Relations. This is the U.S. Chamber's fifth East Europe agreement.*

Dataproducts Corp., Gaston County Dyeing Machine Co., J. I. Haas, Inc., Instrumentation Laboratory, Inc., Norton Co., Royal Zenith Corp., Sikorsky Aircraft, Sperry Rand, Stauffer Chemical Co., and Westinghouse Electric Corp. Also represented were the American Soybean Association and the National Machine Tool Builders Association.

The bilateral council is the fifth to be established by the U.S. Chamber with an Eastern European nation. Agreements have been signed previously with Poland, Romania, Bulgaria and Hungary.

NFTC Meeting To Examine Pressing World Trade Issues

Industry, banking, government and academic representatives from eight countries will address the 62nd National Foreign Trade Convention, Nov. 17 and 18 in New York.

Reginald H. Jones, Chairman of the Board and Chief Executive Officer of the General Electric Co., will keynote the convention at its opening session and then serve as convention chairman.

Sir Christopher Soames, Vice President and Commissioner for External Relations of the Commission of the European Communities, Brussels, will address one of the luncheon sessions with Robert Cushman, President and Chief Executive officer, Norton Co., presiding. Jack Hamilton Warren, Canada's Ambassador to the United States, will address the other luncheon, with Lee A. Iacocca, President of the Ford Motor Co., presiding.

At a session dealing with such issues as the administration of trade legislation, international trade negotiations, energy and resources accessibility and export financing and taxation, Council President Robert M. Norris will be chairman. Speakers will be Frederick B. Dent, Special Representative of the President for Trade Negotiations; Will E. Leonard, Chairman of the United States International Trade Commission, and Gerald L. Parsky, Assistant Secretary of the Treasury.

Under the chairmanship of Robert K. Wilmouth, President and Chief Administrative Officer of the Crocker National Bank, San Francisco, a session on world finance and monetary reform issues will be addressed by Paul A. Volcker, President of the Federal Reserve Bank of New York.

Alexander McW. Wolfe, Jr., Senior Vice President of the First National Bank of Boston and President of the Bankers' Association for Foreign Trade, will lead a panel of U.S. and foreign bankers who will deal with such issues as floating vs. fixed exchange rates; roles of SDR's and gold; economic development financing, and transacting international business.

A Middle East Forum will be chaired by William C. Ballin, Senior Vice President, American Export Lines, Inc., who is Chairman of the NFTC Middle East Committee. Speakers will be Dr. Adly Abdel-Meguid, Director of the Economic Mission of the Embassy of Egypt; Robert W. Grimble, Assistant General Manager, International Department, E. I. du Pont de Nemours & Co.; Cyrus Honary, Commercial Counselor in the Office of the Iranian Economic Mission; Harold Minor, President, Minor Consulting Associates, and Sidney Sober, Deputy Assistant Secretary, Bureau of Near Eastern and South Asian Affairs of the Department of State.

Such foreign investment issues as private investment and economic development, the multinational corporation, international law and dispute settlements, and taxation of foreign business income, will concern a session to be chaired by Cecil J. Olmstead, Chairman of the NFTC Foreign Property Committee and Vice-President of Texaco, Inc. Speakers will be Monroe Leigh, Legal Adviser of the Department of State; Jacques G. Maisonrouge, Chairman of the Board, IBM World Trade Europe/Middle East/Africa Corp.; John R. Petty, Partner, Lehman Brothers Inc., and Wylie S. Robson, Executive Vice President, Eastman Kodak Co.

Speakers at an East-West Forum, dealing with technology exchange, will be Arthur T. Downey, Deputy Assistant Secretary for East-West Trade in the Department of Commerce; Lewis J. Lamm, Vice President and Manager, Clark Equipment A.G., and Dr. Rolf Sieber, Ambassador of the German Democratic Republic to the United States. The session will be chaired by Michael W. Curran, Chairman of the NFTC East European Committee, and Vice President of the Chase Manhattan Bank.

A Latin America Forum will be chaired by Juan D. Sanchez, Chairman of the NFTC Latin America Committee, and Vice President of the Anaconda Co. Speakers will be Jose Rafael Bejjarano, Senior Vice President, Xerox Corp.; Alejandro Orfila, Secretary General of the Organization of American States; John Porges, Executive Director of the Inter-American Development Bank, and William D. Rogers, Assistant Secretary of State for Inter-American Affairs.

A Pacific-Asia Forum will be chaired by Frank Zingaro, Chairman of the NFTC Pacific-Asia Committee and Vice President-Far East of the Caltex Petroleum Corp. Speakers will be Kazuya Kodama, Executive Vice President and Director, Mitsui and Company U.S.A. Inc.; Louis Mulkern, Executive Vice President-Asia Operations, Bank of America, Tokyo; Peter G. Wodtke, President, Private Investment Company for Asia (PICA), Singapore, and Roberto T. Villaneuva, President, Private Development Corporation of the Philippines, Manila.

The 38th annual Captain Robert Dollar Memorial Award will be presented to Stephen D. Bechtel, Senior Director of the Bechtel Group of Companies, San Francisco, for his "distinguished contribution to the advancement of American foreign trade," at the concluding NFTC World Trade Dinner.

Multilateral Trade Negotiations

This article is another in a series of reports on preparations for and notable developments in the multilateral trade negotiations, as prepared by the Commerce Department's Office of International Trade Policy.

GENEVA

The **MTN Agriculture Group** adjourned Sept. 26 without reaching agreement on its future course of work, on procedures for the conduct of bilateral consultations on quantitative restrictions affecting agricultural trade, and on questions of particular interest to the developing nations. Differences again rose between the U.S. and the European Community (Common Market nations). The Community prefers separate rules and procedures for agricultural trade problems, viewing them as different from industrial trade problems, and continues to support an autonomous role for the Agriculture Group. The U.S. believes that in order to assure that agricultural and industrial negotiations are undertaken in conjunction, as is called for in the Trade Act of 1974, there must be a link between the Agriculture Group and other negotiating groups, particularly those considering nontariff measures and tariffs. Also at issue is a mechanism for the resolution of differences between groups over the treatment of agriculture in the negotiations when such differences arise.

Bilateral policy-level discussions between the U.S. and the Community are planned over the next few weeks to seek some agreement on procedures, which will allow the group to reconvene. Meanwhile the agriculture subgroups—on dairy, meat and grains—are continuing to meet, since their discussions concern technical questions and fact-finding rather than negotiating procedures.

The **NTM Subgroup on Technical Barriers to Trade** held its second meeting Sept. 27-Oct. 3, and continued work on its draft *standards* code, which aims to insure that standards facilitate rather than obstruct trade. It had been previously agreed that the code would form the basis for negotiations on standards. The subgroup also discussed packaging, labeling and marks of origin. The U.S. delegation was favorably impressed by the general positive attitude of the other delegations and by the atmosphere of cooperation between developed and developing countries.

An extensive discussion centered on the use in the draft code of standards definitions adopted by the UN Economic Commission for Europe (ECE). Using these definitions—which are also expected to be adopted by the International Organization for Standardization—would relate the subgroup's work to that of other international groups also working on product standards. Most delegations stated a preference for using the ECE definitions, with varying opinions as to the degree of modification required to make them meet the intent of the draft code. The U.S. submitted a draft adaptation of the ECE definitions, incorporating some suggested changes. This issue will be further explored at the next meeting. Other discussion sought to identify and define points of difficulty among the many proposals for amendments to the draft code, without trying to resolve the differences.

On *packaging and labeling*, some delegations stated that these subjects are sufficiently covered through the code definitions, but some changes were proposed to the specific provisions of the code that mention these issues. A number of delegations raised concern regarding the *marks of origin* requirements maintained by various countries, including the U.S. The U.S. successfully argued for a deferral of this issue, stating that this should not delay overall progress on the draft standards code. The next subgroup meeting is tentatively set for Jan. 27.

The **NTM Subgroup on Customs Matters** met Oct. 7-8. On the issue of *customs valuation*, or the calculation of merchandise value for the purpose of duty assessment, discussion focused on the elements to be included in any new set of international rules. The U.S. emphasized that all laws, regulations and administrative decisions be made fully accessible to the general public. It also stressed that any valuation system provide a procedure for appeal to an independent and impartial body. Finally, it called for precise and fair handling of less-than-arms-length transactions. The U.S. is concerned here because certain countries apply arbitrary and excessive "uplifts"—increasing customs valuations—in less-than-arms-length transactions between associated firms. It was agreed that delegations should submit to the GATT Secretariat, by Jan. 31, detailed papers on: 1) administrative and judicial appeal procedures, 2) the publication of legal, regulative and administrative decisions, 3) precise and fair handling of less-than-arms-length transactions, and 4) the neutrality of valuation systems.

On the issue of *import documentation requirements for customs purposes*, discussion focused on lists of excessive documentation requirements maintained by various countries which were submitted by seven delegations including the U.S. However, due to the late submission of some of these documents, substantive discussion was postponed until the next meeting.

The U.S. and several other delegations again stressed that the harmonization of import documentation requirements cannot be accomplished through procedural changes alone since some documentation requirements relate to other policy areas where structural reform is necessary.

In a discussion on the use of *consular formalities and fees* by a number of countries, the U.S. and several other subgroup delegations reiterated support for a draft interpretive note to the GATT which would require the elimination of such formalities. The subgroup agreed to keep consular formalities and fees on the agenda and requested that the GATT Secretariat prepare a list of countries maintaining such formalities and fees together with a list of countries that have recently abolished them.

On the issue of *customs procedures*, concern was again expressed with certain practices, particularly those of the United States, alleging unreasonable delays in formal customs clearance and excessive penalties for errors in customs documentation.

With respect to delays in formal customs liquidation, one delegation proposed that the problems would best be solved by an interpretive note to GATT Article VIII which would insure: 1) time limits on formal customs liquidation, and 2) notification procedures where the normal liquidation process is delayed.

In the case of excessive penalties for documentation errors, several delegations expressed concern with the lack of flexibility in distinguishing between inadvertent error and outright fraud. In response, the U.S. stated that such problems could best be dealt with on a bilateral basis.

The subgroup agreed to meet again not later than March 31.

The **Tariffs Group** met Oct. 14-17. This group resumed its consideration of possible tariff reduction approaches and other elements of a tariff negotiations plan, such as valuation differences and base rates/base dates.

The **MTN Tropical Products Group** meets Oct. 20-24 to review the progress made in bilateral consultations which have been held over the past few months for clarifying requests for trade concessions which a number of developing nations have made of the United States and other industrialized countries. The Group also will consider arrangements and a possible timetable for the presentation and circulation of initial offers on tropical products, seeking concrete results in as broad an area as possible at the earliest possible date. However, the United States will not be able formally to make any kind of offers until all domestic prenegotiation procedures have been carried out in ac-

cordance with the provisions of the Trade Act of 1974.

The **Nontariff Measures Group** met week of Oct. 13. Reviewed the work of its four subgroups (quantitative restrictions, technical barriers to trade, customs matters and subsidies/countervailing duties), as well as considered the possible establishment of additional subgroups.

The **NTM Subgroup on Quantitative Restrictions** and import licensing procedures is scheduled to meet Oct. 27. Agenda items include: reports by the countries involved in consultations, and analysis by the subgroup on the basis of those reports; possibilities for formulating additional procedures for bilateral and/or plurilateral negotiations; and possibilities of working out a general formula to apply automatically to quantitative restrictions. Discussions on import licensing procedures also will be continued.

The **NTM Subgroup on Subsidies and Countervailing Duties** is scheduled to meet the week of Nov. 10. The subgroup is expected to discuss proposals for solutions to subsidy/countervailing duty problems, as well as to address complaints about particular subsidy practices. The U.S. is tabling a concepts paper for this meeting outlining our present thinking on achieving effective international rules on the use of subsidies and countervailing duties.

The **Sectors Group** is scheduled to hold its third meeting the week of Nov. 3. Its expected focus is on a review of sector studies prepared by the GATT Secretariat for ores and metals, fish products, wood and paper products, and leather products. The U.S. will continue to press for similar studies for several other sectors at this meeting.

WASHINGTON

The **Industry Policy Advisory Committee** met Oct. 1 and reviewed the information and advice contained in each of the 26 Industry Sector Advisory Reports. In addition, the committee was briefed on the draft GATT Standards Code and on Subsidy Countervailing Duty issues. The next meeting is scheduled for Dec. 2.

The initial meeting of **Industry Sector Advisory Committee #27** (Retailers) was held on Sept. 29. The committee elected officers and reviewed the guidelines used by the other ISACs to write their respective reports. Members agreed to submit views on preparing their advisory report.

The **Labor Sector Advisory Committees** (LSACs) will hold a series of meetings early in November to discuss nontariff measures and other negotiating issues. Each of the six sector committees has been asked to make submissions on specific nontariff measures. At that time the committees will review their draft reports as to what the U.S. negotiating objectives should be in the MTN within their sectors. Revisions and additions suggested by LSAC members will be incorporated into the draft reports. The results of the sector reports will be reviewed by the **Labor Policy Advisory Committee** for consistency with overall labor objectives.

The **Agriculture Policy Advisory Committee** (APAC), co-chaired by Ambassador Dent and Agriculture Secretary Earl Butz, met Oct. 2. The Chairman and Vice Chairman of each of the **Agriculture Technical Advisory Committees** (ATACs) made oral presentations of their committee recommendations. Dent reviewed results of recent Washington discussions with European Community representatives, reiterating the U.S. position that agriculture and industry must be negotiaitng together in the MTN process. APAC members supported this position strongly. The committee will meet again early in December, prior to the Trade Negotiations Commitee meeting.

MTN, NTB, NTM—Confused?

In the MTN, an NTB is liable to be called an NTM, and some will refer to the TVA while others say VAT, but no one will confuse GSP with GDP, though the latter could be mistaken for GNP.

As the world's trade negotiators converge on Geneva and elsewhere for their discussions, they come equipped with such acronyms. A glossary is in order:

MTN—Multilateral Trade Negotiations: the discussions being conducted by the major trading nations under the auspices of

GATT—the General Agreement on Tariffs and Trade: the accord that provides international trade with its basic ground rules. Commonly today the term GATT refers also to the Secretariat in Geneva which supports negotiations and other work carried out under the agreement.

MFN—Most-Favored-Nation: a system under which subscribing countries extend to each other trade treatment no less favorable than that accorded any other country. In short, it is a pledge of nondiscrimination in trade.

NTB or **NTM**—Nontariff Barrier or, in current GATT usage, Nontariff Measure: a restriction on trade based on other means than tariffs. It can be a quota, special safety or health standard, or purchasing practice. An example of a nontariff barrier is

ASP—American Selling Price: a customs valuation system used by the U.S. under which the duty value of certain imported products, chiefly benzenoid chemicals, is taken as the U.S. value. This system, by generally increasing the base upon which duties are paid, normally has the effect of increasing duties.

TVA or VAT—Tax on Value Added or Value Added Tax: a system of internal taxes levied on goods in processing, manufacture and distribution. Countries using these indirect taxes apply them to imports and relieve exports of the taxes. The trade effects of such "border tax adjustments" have been the subject of lengthy discussion in the GATT and elsewhere.

CXT—Common External Tariff: the harmonized tariff rate agreed upon by a group of countries which form a customs union such as the European Common Market, applied to imports from non-member countries.

BTN—Brussels Tariff Nomenclature: the standard classification of goods for customs purposes, used by most nations, but not by the U.S., Canada and several others.

MNC—Multinational Corporation: an enterprise with production facilities in more than one country. Sometimes also referred to as a TNC, or Transnational Corporation.

EEC or **EC**—The European Common Market of nine nations, consisting of the European Economic Community (EEC), the European Coal and Steel Community and the European Atomic Energy Community. These are grouped under the designation European Communities (EC).

GSP—Generalized System of Preferences: a system of preferential tariff treatment set up by the industrialized nations for the products of the

LDCs—Less Developed Countries: the nations of low per capita income, generally with a small industrial base.

GDP and **GNP**—Gross Domestic Product and Gross National Product: an overall reckoning of a nation's output of goods and services. The distinction between the two terms focuses mainly on the inclusion or exclusion of income earned abroad and from assets owned within a country by foreigners. GNP is the more familiar term for Americans; GDP is used by the British and others.

SDR and **STR**—Special Drawing Rights and Special Trade Representative: two terms that have nothing in common except the confusion they can cause if mistaken for each other in pronunciation. Special Drawing Rights refer to the "paper gold" established by the International Monetary Fund as backing for international monetary transactions. The Special Trade Representative—the full title is Special Representative for Trade Negotiations—is the U.S. official who is the chief representative of the U.S. for negotiations under the trade agreement program.

Trade Fairs, Centers

Italian Businessmen Increasingly Look To Computers, U.S. Exhibitors Find

A strong and expanding demand for American computer technology, coupled with a visible resurgence in the Italian economy, combined to make the Milan U.S. Trade Center's recent EDP exhibition a success.

The "fourth edition" of the annual show was the Center's largest ever—53 exhibitors of minicomputers, terminals, and peripherals representing 83 U.S. firms. It topped all previous shows in floor sales—$4 million worth. The 12-month projection of more than $27 million was $10 million higher than for last year's EDP exhibition. The late spring event is now recognized in the Italian business community as "the place" to see the latest in U.S. computer technology.

The high cost of labor augments demand for computer systems, and the Italian businessman increasingly looks toward this equipment as efficient, cost-cutting, and labor-saving. The country's computer import market is expected to reach $300 million in 1977, with U.S. firms enjoying a dominant share through exports from the United States and from manufacturing subsidiaries within the European Common Market. Exports from the United States are likely to remain strong in the years ahead, as exchange rates are favorable and the "Made in USA" label carries prestige in the computer industry.

The show's focus attracts a broad range of end users—medium and large-sized industry, financial and banking institutions, insurance companies, universities and research centers, transportation industry and public administration offices. Attendance this year was good across the board, with the exception of a slight falloff in Italian governmental visitors.

The Italian retail distribution system has not been well developed, and the large chains have been conservative in outlook. Results of this year's show indicate, however, that this situation is changing. The interest shown during the exhibition by representatives of both Italy's large department store chains—Standa and Rinascente—as well as some of the medium chains, indicate that the retail sector may now be finally developing an awareness of the utility of the computer both in standard accounting and stock control procedures and in point-of-sale applications.

Computer Transmission, El Segundo, Calif., a new-to-market firm, exhibiting "optrans" and intertrans connections, wrote: "Show was optimum opportunity to introduce product into market." The newly-appointed Italian agent of Data Products, Woodland Hills, Calif., exhibiting line printers and core memories, wrote: 'We have represented Data Products for only one month. We expect to achieve a volume of sales of over $1 million."

COMPUTING BENEFITS—*A U.S. firm's representative explains advantages of his equipment to potential customer at recent EDP show, Milan U.S. Trade Center.*

U.S. Exhibition Results In Brief

The following summary reports have been received on U.S. overseas commercial exhibitions. Further details and marketing data will be published as available.

COMPUTECH '75. **U.S. Trade Center, Taipei, Aug. 19-22.** Exhibitors, 22. Floor sales, $1,063,500; 12-month projection, $11.5 million, of which $6 million was estimated by new-to-market firms.

INTERORGTECHNIKA **'75, exhibtion of office machinery. Sokolniki Park, Moscow, Sept. 2-16.** U.S exhibtors, 23, representing 28 companies. Floor sales, $1.6 million; 12-month projection, $14.2 million.

Electro-Optical Systems and Lasers. U.S. Trade Center, London, Sept. 8-12. Exhibitors, 18, representing 38 firms. Floor sales, $779,500, 12-month projection, $5.6 million, of which almost $4 million is estimated by new-to-market companies. Representatives appointed, 6; under negotiation, 5.

Instruments and Controls for Science and Industry. U.S. Trade Center, Tehran, Sept. 21-25. Exhibitors, 25, representing 28 companies. Floor sales, $511,500; 12-month projection, $4.2 million. Representatives appointed, 2; in negotiation, 8.

Advanced Medical Equipment. U.S. Trade Center, Tokyo, Oct. 6-9. Exhibitors, 50. Floor sales, $295,000; 12-month projection, $6.9 million. Representatives/agreements under negotiation, 6.

U.S. Electronic Components Draw Buyers To Milan Center

U.S. high-technology products continue to produce good returns for American manufacturers, an advanced electronic component show at the Milan U.S. Trade Center verified in the spring.

Despite Italy's recessionary signs, more than 300 visitors a day came to the four-day exhibition to view such products as silicon photo transistors, photo diodes, light emitting diodes, light sensor and emitter arrays, printed circuit boards, and conductors.

The show, primarily locally procured, had 29 participants representing 74 exhibitors. As reported in the May 12 issue of *Commerce Today*, 12-month sales were projected at some $8.7 million.

Trade Show Set For May Coal Congress In Sydney

A trade exhibition is to be held in conjunction with the seventh International Coal Preparation Congress in Sydney next May 23-28. Of the 55 stands available, 26 will be for Australian exhibitors; the others are offered to overseas exhibitors. Inquiries should be addressed to C. B. Stone, Exhibition Sub-Committee, G.P.O. Box 3842, Sydney, New South Wales, 2001.

Ocean R & D In Japan Spurs Interest In U.S. Marine Instrument Exhibition

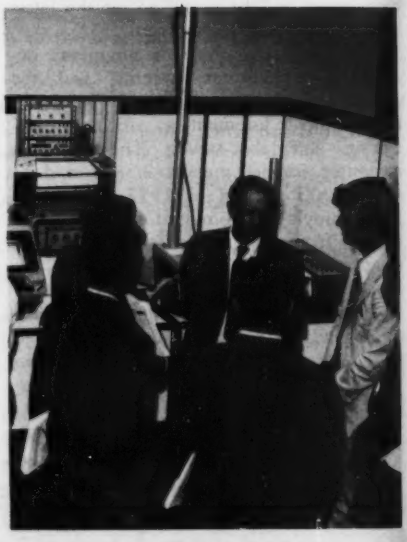
The Government of Japan is pursuing ocean development as a major national project. The private sector also is actively expanding its activities in this new area. Both of these factors contributed to the success of a recent exhibition of marine and ocean instrumentation at the U.S. Trade Center in Tokyo.

Such U.S. instrumentation is highly regarded by the Japanese for its sophistication, reliability, price competitiveness and as a labor saving tool, and American manufacturers are looked upon as the most advanced in applying know-how to commercial production.

Equipment and instrumentation featured at the exhibition included underwater communication equipment, diving gear, sampling, pollution monitoring and environmental systems, underwater cameras, navigation equipment, desalination systems, recorders, analyzers, gages, switches, indicators, and depth recorders. Many of the exhibitors were introducing their equipment to Japan for the first time, and several were seeking a representative/distributor.

The 29 exhibitors collectively sold or projected sales for the following year in Japan at almost $3.2 million. Greatest visitor interest was expressed in doppler sonar, deep sea work and docking systems; diving systems and general underwater equipment; adaptive data recording systems; rugged Nova mini-computers; mercury and nitrogen analyzers; collision avoidance systems, radar gyrocompasses, depth recorders; graphic recorders; water quality analyzers and transmissometers; and electromagnetic current meters.

The participating American companies were responding to the market in Japan for ocean/marine instrumentation which was estimated at $55 million in 1974 and is estimated to almost double to $106 million by 1978.



EXHIBITION SCENES—*Photo at top of page shows some of 1,300 visitors who attended Tokyo U.S. Trade Center's exhibition of ocean/marine instrumentation. Other photos of exhibition, clockwise: Gene Brandow of New England Divers, Inc., demonstrates his company's equipment to prospective end-users; Burton B. Stuart, Raytheon Co., talks about firm's universal graphic recorder; member of staff of Ametek/Straza Division's Japanese representative, Nissho Iwai Co., Ltd., explains firm's docking system; Francis Fane describes Rebikoff camera system.*

Worldwide Business Outlook

Korean Surge Withstands Payments Deficits, Inflation

Korea continues to record substantial economic growth, but at the expense of a second year of large balance of payments deficits and strong domestic inflation. The U.S. Embassy in Seoul adds that American industrial sales opportunities should increase next year since Korean imports will probably grow about 10 percent in dollar value. Export-Import financing continues to play an important role, and Korea is actively seeking foreign private investment.

Despite lower exports the Korean economy continued to grow fairly rapidly in the first half, following the sharp upturn in industrial production which occurred in late 1974 when strong fiscal stimulus was applied. Preliminary data show GNP up 6.1 percent in real terms in the first half over the same period a year earlier, despite a 5.4 percent drop in exports of goods and services.

All-time production highs were reached in the first half for industrial chemicals, plastic products, non-ferrous metals, fabricated metal products, non-electrical machinery, transport equipment and precision equipment. Total industrial production in the first seven months of 1975 was 12.3 percent above a year earlier. Seasonally adjusted industrial production rose 16.1 percent from an October 1974 low to a temporary peak in March, then declined slightly until July, which saw a 7.6 percent increase centered in the food, plywood and garment industries. Excess inventories have been largely eliminated, partly by Korean Government purchases to give temporary relief to firms, and the overall ratio to production is now nearly normal.

For 1975 as a whole real GNP growth is likely to equal or exceed the revised government estimate of 6.5 percent, compared with 8.6 percent for 1974. Spurred by export orders, industrial production in the second half should widen its gap over the 1974 level. Bumper grain crops will also contribute to good growth. Construction is one sector which may see little or no growth in the second half, after providing a strong stimulus in the first half. Building permits (total area) have recently dropped below year-earlier levels, with industrial construction particularly weak.

Korea's Fourth Five-year Economic Development Plan for 1977-1981 is now in the early stages of formulation. The planning guidelines for 1977-81 assume real GNP growth of 9 percent a year, with the ratio of gross investment to GNP maintained at 28-30 percent. Exports in constant prices are projected to increase at 15.3 percent a year, much less than in the past, while the import growth rate is estimated at 10.8 percent.

Korea's balance of payments situation has improved since April due to increased exports and reduced imports. The second-half current account deficit will be much smaller than the preliminary first-half deficit of $1.7 billion, with the full 1975 total approximating the revised 1974 deficit of $2.0 billion. Probably $200-300 million of the first-half deficit represents speculative import accumulations now being reversed, causing a comparable reduction in the second-half deficit.

Dramatic change in May-August period

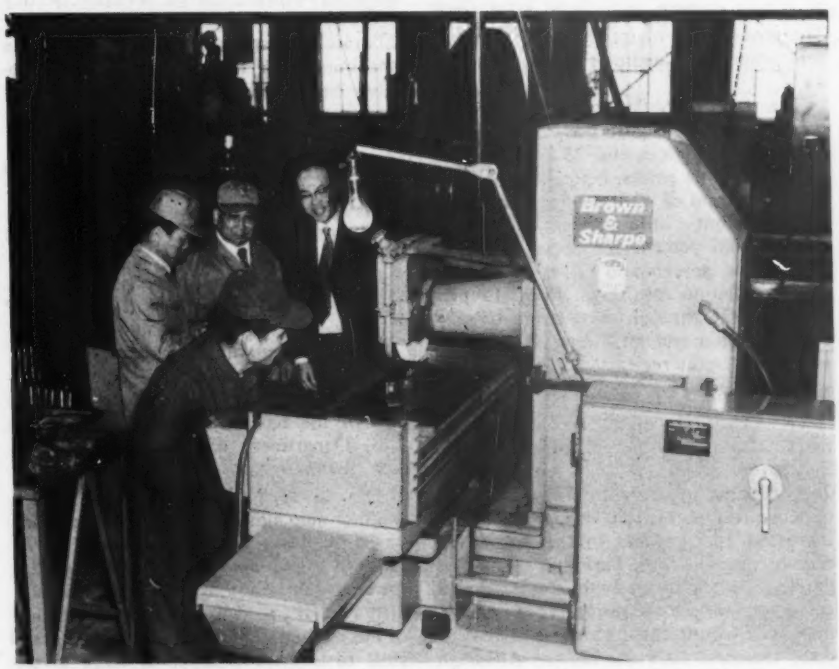
For the four months May-August Korea had a $25 million foreign exchange surplus as measured by the KFX (Korean Foreign Exchange) budget, which excludes imports financed by long-term capital and grants. This small KFX surplus represents a dramatic change from the $920 million KFX deficit recorded in the first four months of 1975.

Korea's gross foreign exchange reserves have increased by $340 million to $1,220 million in August since the year's low of $880 million in March. This improvement is due in part to a $70 million IMF Oil Facility drawing. Gross reserves should improve further in the final four months.

The preliminary first-half export total of $2,085 million (b.op. basis) was 8 percent below the same period last year. Part of this decline reflects a 6 percent drop in the export price index. However, arrivals of export letters of credit, a leading indicator of exports, turned up sharply in April and are now running about $465 million a month, compared to $321 million in the first quarter. Exports should be up 35 percent in the second half and approach $5.0 billion for all of 1975. Textile and apparel exports have recovered sharply, with factories working overtime to fill orders.

Korea's export pattern continues to shift away from heavy dependence on the U.S. and Japanese markets; in the first seven months 45 percent of Korea's exports went to other countries, compared to only 34 percent in the same period in 1974, while the share of Korea's exports going to the United States dropped to 29 percent from 32 percent.

Further easing the trade balance situation, import licenses have dropped markedly in recent months. This lower import trend should continue through 1975 due to drawdowns of inventory, reduced investment, tight credit, high import deposit requirements, and lower grain imports. Total imports, f.o.b., should thus approximate $6.7 billion. An increase in imported crude oil prices will add in 1976 to



U.S. MACHINERY IN KOREAN PLANT—*Officials of Korea Heavy Machinery Industries, Ltd., view one of Brown and Sharpe grinding machines in plant at Yungdungpo.*

Korea's current annual $1.2 billion oil import bill.

Capital inflows to cover the balance of payments deficit on current account continued to require short-term borrowing, which amounted to $843 million in the first half of 1975 compared to $723 million in net medium and long-term financing. Long-term public loans, however, increased in the first half of 1975, reaching $449 million on a commitment basis and $232 million on an arrival basis, compared to full-year 1974 figures of $456 and $317 million respectively. A $100 million IBRD program loan and resumption of U.S. PL 480 food sales account for much of the increase.

Korea's debt-service ratio in 1975 will be about 14 percent, up from 12.6 percent for 1974, but still well below the 21 percent ratio reached in 1970. A recent periodic consultative meeting on Korea sponsored by the IBRD concluded that Korea's debt service should prove manageable during the next several years, given reasonable assumptions as to export growth and terms of borrowing.

Domestic credit in 1975 grew 22.1 percent through August, or 51.5 percent from August 1974, but will probably stay within the target ceiling of 35.3 percent for all of 1975. The monthly rate of increase has been tending downward throughout the year. Credit to the public sector has accounted for 31 percent of the increase so far and will account for a larger proportion in the final months, so that private sector access to new credit will decline from the first half. Growth in money supply was only 5.4 percent through August, compared to 29.5 percent in all of 1974. The government maintained the 15.5 percent prime bank lending rate in effect since 1972.

The rate of inflation during the 12 months ending August was 27.7 percent for wholesale prices and 25.2 percent for Seoul consumer prices, better than the full year 1974 rate of 42.1 percent for wholesale prices but a little worse than the 1974 rate of 23.6 percent for Seoul consumer prices. The government hopes to get the overall inflation rate down to 12-15 percent in 1976 through curtailment of government grain and fertilizer subsidies and continued credit restraint.

Imports from U.S. expand

The U.S. share of the growing Korean market expanded to 26.8 percent in the first seven months of 1974, compared to 24.8 percent in all of 1974. The value of Korean imports from the United States increased 16.2 percent in the first seven months over the same period in 1974. The greatest percentage growth among major categories in the first 6 months was in non-electrical machinery (up 95 percent over the first half of 1974). Although Japan remains Korea's major supplier, Japan's share of the market during the first 7 months dropped to 35 percent, compared to 38 percent in the first half of 1974. All other suppliers combined held relatively constant, with 38 percent.

Recent strengthening of the dollar and idle manufacturing capacity in all of Korea's supplier countries will probably sharpen competition and call for increased sales promotion efforts if the United States is to increase its industrial market share further over the next 6-12 months. A reduction of perhaps $300 million in Korea's foodgrain imports in 1976 will tend to reduce the overall U.S. share.

Financing remains an important factor in selling to the Korean market, and the Korean Government has asked U.S. Export-Import Bank consideration for projects in steel manufacturing, petrochemicals, communications, mining and transportation. Korean data show that use of direct U.S. Export-Import Bank credits (excluding guaranteed and other credits) rose to $58 million for the first half of 1975 compared to $61 million for all of 1974. Major projects of interest to U.S. exporters include energy systems, for which the market doubled to $10.8 million in 1974. Korea continues to share in the worldwide shipbuilding recession, but expansion of the Pohang Steel Mill continues and will reach 2.3 million M/T in early 1976 with a capacity of 8 million M/T planned for 1980.

Machinery and equipment products with the greatest incremental sales potential over the next few years are expected to be: metalworking and metalfinishing machinery and equipment; mechanical handling equipment; energy systems; heating and cooling equipment; textile machinery; laboratory instrumentation; construction and mining machinery; computers and related equipment; business equipment and systems; and process control instrumentation.

An important tool for the promotion of these products and other American exports is the U.S. Trade Center in Seoul. The Trade Center is available to local agents of U.S. firms for single exhibitor "between show" promotions, and U.S. business visitors can avail themselves of the Trade Center's "REPFIND" service which includes temporary space, identification of prospects, and arrangement of appointments at the Center. A detailed outline of the Korean market is given in a U.S. Department of Commerce publication, *Marketing in Korea.*

Private foreign investment approvals in the first half jumped to $142 million, compared to $140 million for all of 1974. Half of these investments were by U.S. firms or third-country subsidiaries of U.S. firms. Japanese firms accounted for most of the remainder. There was a very marked shift to a small number of large investments instead of the previous pattern of many smaller investments. In the first half of 1975 only 22 new foreign investments were approved compared to 170 in all of 1974. Large chemical and fertilizer projects with long lead times accounted for a large share of the first-half investment approval figure, while small investments with short lead times in the primary, consumer and service industries dropped off, reflecting recession abroad and slowed growth within Korea.

Actual arrivals of private foreign investment dropped sharply to only $27.8 million in the first half of 1975, compared to $124.1 million for all of 1974. The decline in the amount of investment arrivals was especially marked in the case of Japanese firms, presumably reflecting recession and tight money in Japan.

The potential for profitable private U.S. investments in Korea remains good over the longer-term. Korea continues to offer a large supply of industrious semi-skilled labor, adequate land and facilities for new plants, and a full range of governmental investment incentives.

Iran Has New Plan For Public Ownership

Iranian Minister of Economics and Finance, Hushang Ansary, has discussed the implementation of the Shah's plan to broaden industrial ownership in Iran by requiring private sector manufacturers to sell 49 percent of their holdings to workers, farmers, and the general public. A total of 320 manufacturing units will be covered by the plan. These include all private sector industrial concerns established for at least five years with working capital exceeding the Rial equivalent of $1.5 million, or with fixed investment capital of more than $3 million, or with total annual sales of more than $3.75 million. A list of 106 companies in which the plan will be implemented during the current Iranian year (ending March 20, 1976) has been published. An additional 108 companies will come under the plan next year with a final 106 firms two years hence.

Minister Ansary stated that the plan will be implemented gradually, but is to be completed for all of the 320 companies by Oct. 22, 1978. The plan is not limited to Iranian-owned industries. A number of joint ventures with American equity participation, such as B. F. Goodrich, General Tire, and General Motors, are listed.

Ventures now forming, or to be formed in the future, reportedly will have the option of "going public" as they are set up or of waiting until they have been in operation for five years. Still in question are matters such as the maximum foreign participation allowable during the formative stage and at the five-year point in new joint ventures. These matters are under review by a newly formed secretariat in the Ministry of Industries and Mines.

Conditions Favorable In Philippines For Product Promotion, Investment

The Philippine economy has slowed slightly from its 1974 performance, but GNP may nevertheless show substantial real growth for 1975.

Construction is performing the best of all sectors; agriculture and manufacturing are holding their own, while wood products and mining are down. Monetary and fiscal policies are moderately expansionary and the inflation rate has slowed considerably from 1973-74 levels. Despite the slump in certain sectors, the U.S. Embassy in Manila advises that long-range conditions are favorable for promoting U.S. exports and for U.S. investment.

Due to the slow recovery of the Philippines' trading partners, little demand-induced growth can be expected from the external side for the balance of the year. Under these conditions, the economy will do well to reach a GNP growth rate of 5 percent.

The deficit on merchandise trade will almost certainly reach $700 million, and could go to $900 million, that is, within the range earlier projected by the IMF. A $115 million loan to the Philippines from the IMF will help the country to offset the foreign exchange outflow for crude oil, which amounted to $350 million in the first half of 1975. If OPEC oil prices are again raised, of course, additional pressure will be brought to bear on the balance of payments, with increasing recourse to borrowing, either through existing or new credit lines, a likely result.

Domestically, the government will continue to seek and implement measures to smooth out agricultural production and prices. The government is attempting to associate with sugar exporting countries in 22 Latin American and Caribbean nations, which could affect over 60 percent of the world's total sugar exports. Coconut oil refining capacity is being expanded, and the government is seeking markets in China, Russia and the Middle East.

No further technical discussions on a successor to the expired Laurel-Langley Agreement have been held since those in July 1974. Negotiations appear to have fallen in line with the pace of the multilateral trade negotiations in Geneva, although talks on bilateral issues may still be held in the next few months.

Figures for 1975's first half showed a rather significant shift in direction of trade. While the value of total Philippine exports dropped by 12 percent as compared to the first half of 1974, exports to the United States fell off by a startling 58 percent. Statistics have not yet been compiled to show which exports to the United States have suffered most, but the redirection and the decline in sugar sales certainly were factors. At the same time, Japan was increasing its share of Philippine exports, receiving nearly twice as many Philippine products as the United States in the first six months of 1975.

Philippine imports increased by about 14 percent over the corresponding period in 1974, but the value of imports from the United States remained virtually static. Japan, meanwhile, increased its market share to nearly 27 percent, as compared to 20 percent for the United States. While these six-month figures are insufficient to firmly establish the acceleration of an existing trend, they do indicate a continuing diversification of import sources and export markets, away from dependence on the United States and toward Japan, the EEC countries, and others including the People's Republic of China.

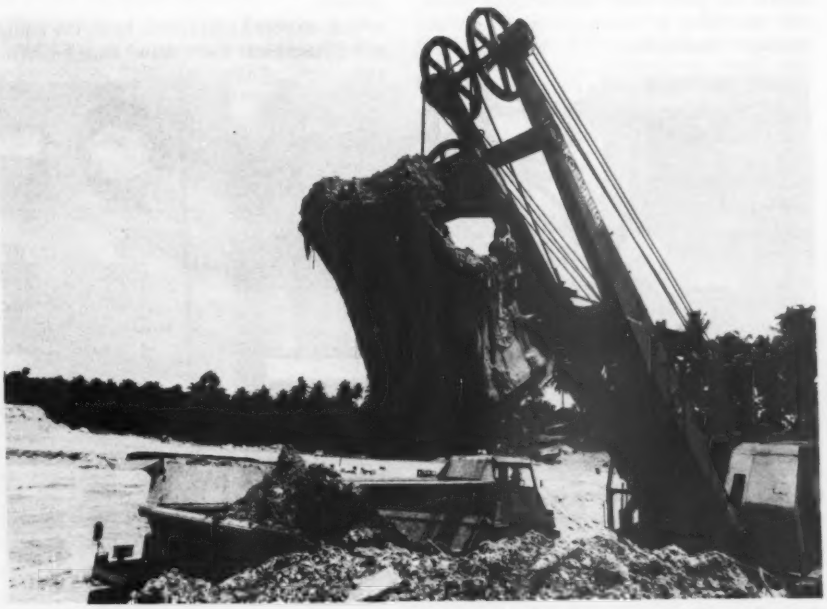
Although the Philippine economy will probably grow slowly through the remainder of the year, prospects for longer-term economic health and stability are good. Other countries have recognized the attractiveness of the Philippine market, and U.S. exporters can expect continued competition over the full range of products.

Machinery other than electric continues to be the dominant U.S. export to the Philippine market. Promising potential lies in energy systems, food processing and packing equipment, metal-working machinery and equipment, building products and construction equipment, business equipment and systems, and health care industries' equipment and supplies.

Total new investment recorded by the Board of Investments (BOI) for the first half of 1975 was down 52 percent from the level posted during the same period last year. Both new foreign investment (62 percent of total) and new domestic investment fell the same percentage.

As in trade, there are indications of a shift away from the United States as a source of investment, although it is less pronounced. Since the Central Bank first began monitoring capital inflow (January 1970), U.S. investors have accounted for 48 percent of total new foreign investments recorded, while Japan is a distant second at 17 percent. However, for the first six months of 1975, 37 percent of new investments came from U.S. investors, 23 percent from Japan, and 40 percent from other countries.

The new investment slowdown is no doubt strongly related to worldwide economic stagnation and depressed commodity markets, but the basic conditions for investment in the Philippines continue to be favorable. Although certain tax provisions have recently been modified with a view to rationalizing subsidies and increasing tax revenues, special industrial zone and export incentives have not been changed. A number of U.S. banks have completed equity investments in local banks in order to comply with new capital requirements and permit their firms to extend activities throughout the country. The government continues to encourage investment in specific sectors, especially in activities which will promote agricultural production, exports, and high utilization of labor.



PHILIPPINE PURCHASE—*Heavy equipment bought with a loan from the Private Development Corp. of the Philippines loads limestone for the Union Cement Co. in Davao City.*

Bolivia Prospers; Agent Necessary For Many Sales

Despite the decline in world prices for its mineral and petroleum exports in 1975, Bolivia's economy continues to move ahead energetically, based on newfound political stability, strong private and public investment, and high consumer demand.

GDP growth in 1975 should approach the 6.7 rate of 1974, according to the U.S. Embassy in La Paz. Conservative fiscal and monetary policies reduced inflation to an impressively low 3 to 4 percent during the first nine months of 1975.

The government is aggressively promoting investment by fostering a favorable climate for the private sector and by acquiring a large amount of foreign development and investment financing, mostly from international agencies such as the Inter-American Development Bank and World Bank, as well as from the United States, Brazil and Argentina. Over US$300 million in project loans are expected to be signed in 1975, for petroleum refining and petrochemicals, minerals processing, road construction, railroad rehabilitation, electrification, small industries, agriculture and social infrastructure. Preliminary studies on some major projects are also under way, including the $500 million Mutun iron and steel complex in Eastern Bolivia, and in petrochemicals.

This increasing investment will present U.S. exporters and counseling firms with excellent opportunities in 1976 for sales of capital equipment and intermediate goods, and provision of comprehensive project packages combining U.S. technical expertise, high quality equipment and financing. Competition from European countries, Japan and neighboring Brazil and Argentina will be stiff, but the high quality of U.S. products and know-how is widely recognized in Bolivia and this favors the continued high growth of U.S. exports.

Falling export receipts because of low world prices, and increasing imports are causing Bolivia's foreign exchange reserves to decline from the high of $180 million in March, but reserves at the end of 1975 are still expected to equal two to three months' worth of imports. The government is likely to take steps to reduce the rate of import growth, especially of non-essential goods, and this may increase domestic inflation. Bolivia maintains an open economy with free conversion of foreign currency.

Products, expertise will be needed

With the Bolivian Government's ambitious plans for large-scale industrial, infrastructure and social development projects in the coming year, imports of capital and intermediate goods, as well as foreign technical and managerial expertise, should increase substantially in 1976 and 1977. Efforts just beginning to revitalize the minerals sector with the help of private financing offer longer-run opportunities.

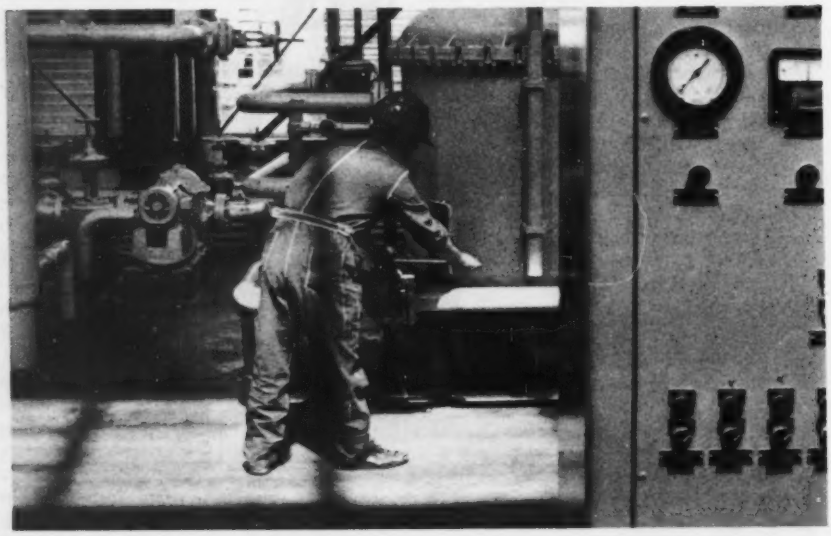
Bolivia should therefore continue to grow as a market for U.S. exports, which increased by 144 percent in 1974 to $105 million and continued at 15 percent above this rate in the first half of 1975. Principal export opportunities will include industrial, mining and petroleum equipment, aircraft, railway rolling stock, trucks and autos and agricultural machinery.

U.S. export competitors have the equipment, technical know-how, and financing facilities to make attractive project offers to the Bolivian state enterprises and government officials and, indeed, many, as well as some U.S. firms, already have done so. While U.S. companies enjoy clear technological advantages for some projects, purchasing officials of public sector entities have emphasized that U.S. firms often lose out on export opportunities because they do not have connections with local agents or firms. Since public sector purchasing constitutes such a large share of overall spending, especially for items in which U.S. firms are competitive, public sector procurement policies are outlined below:

- By law, all government entities must issue public tenders for purchasing only from firms domiciled in Bolivia or through Bolivian representatives of foreign firms.
- There is normally, by law, a 30-day period in which to respond to the issuance of public sector tenders. For large items this period is usually extended to 60 days. The short time allowed is further reason for U.S. firms to have local representation. The tenders state that consideration will only be given to local representatives of foreign firms and local firms registered with the Chambers of Commerce and Industry. (By law these firms must also register with the Directorate General of Commerce and Industry.) Therefore, U.S. firms desiring to participate in sales to the public sector are strongly encouraged to seek local representation.
- An exception to the law is for purchases financed through foreign government-assisted supplier credits or through multilateral-financed institution assistance. The credit terms or assistance agreement normally dictate the country or countries of origin. Despite these exceptions, a local representative or agent is in a stronger position to find and take advantage of opportunities.
- YPFB, the state-owned Bolivian petroleum company, has a purchasing office in Houston, Texas, but purchasing decisions are made in La Paz.

Excellent chances for success

Competition for the Bolivian market comes not only from Japan, Taiwan and Western industrial nations but also from Brazil and Argentina, whose proximity to the Bolivian market gives them added advantages. U.S. competitors have been making major sales due to their aggressive promotion of project packages, local representatives and ready availability of credit on good terms. U.S. products in general are competitive and their superior quality is widely recognized in Bolivia, however, and U.S. firms with local offices or representatives who promote these attributes, and who can offer credit on competitive terms, have excellent chances of success in the half-billion dollar Bolivian market forecast for 1976.



GENERATING POWER IN BOLIVIA—*This thermal electric plant in Sucre is one of many Latin America projects that the Inter-American Development Bank has helped finance.*

Nepalese Market Has Possibilities In Select Areas

Shackled by an overwhelming dependence on traditional agriculture, lack of natural resources, and serious transportation constraints, Nepal's economy continues to show little progress. Nevertheless, the U.S. Embassy in Kathmandu has uncovered opportunities for U.S. business in foreign aid-financed projects in the agricultural transportation and hydroelectric power sectors. The Embassy reports that possibilities also exist for investment in tourism, forestry products and agribusiness.

With some two-thirds of the gross domestic product originating in the agricultural sector, over 90 percent of Nepal's population of 12 million is dependent on agriculture—the majority limited to subsistence farming. The severe inflation of recent years is beginning to abate, but at 2 percent per year real GDP is no more than keeping pace with population growth.

While tourism continues to grow, the potential of this "natural resource" is still not being exploited to the full because of inadequate facilities.

The trade deficit resulting from rapidly increasing imports as against a decline in exports finally has caught up with the invisibles in Nepal's balance of payments accounts, terminating an uninterrupted two-decade growth in convertible foreign exchange holdings which peaked at $120 million in November 1974. India still dominates in Nepal's foreign trade, but the importance of "overseas" trade is increasing.

Substantial increases in development expenditures are causing a growing deficit in the government budget, reinforcing the importance of bilateral and multilateral foreign aid. Nepal's fifth five-year plan commences this year; an increased emphasis on agriculture and social programs hopefully will produce better results than the running-in-place record of the last plan.

The very limited market (plus traditional trade ties with India) has kept U.S. sales to Nepal at negligible levels. However, while Nepal manifestly is not destined to become a major market for the United States, there is an increasing tendency to look beyond India for manufactures, and the present competitiveness of American prices abroad offers increased prospects to U.S. companies willing to devote a little time and effort to exploring the possibilities. As many items such as construction equipment, automobiles, office equipment, etc., are imported directly by government departments for their own use or through the state-owned National Trading Co. Ltd., services of a competent local representative for contact with appropriate authorities in government departments and for knowledge of local market conditions can be useful.

Prospects are especially good for sale of engineering services as well as of equipment for foreign aid-financed development projects in the irrigation, transportation and electric power sectors. The following projects are of current interest:

Narayani Zone Irrigation Development Project: Prequalification tenders for civil engineering and construction works of this $10 million project were issued in July. Work is expected to start by the end of this year. The IDA has provided a $6 million loan.

Drinking Water and Sewage Project: An American firm, Engineering-Science Inc., of Arcadia, Calif., is designing and supervising construction of this $7.8 million project financed through IDA. Tenders for materials and supplies are already being issued and tenders for major construction work are expected soon.

Resettlement Project: IDA credit of $6 million to finance forest clearance and sale of timber in various locations in the Terai for resettlement.

Chitwan Valley Development Project: Asian Development Bank has provided an $8 million loan for this project, which includes road building, irrigation and agricultural development.

Dhangahri Groundwater Development Project: Still in the feasibility study stage. First phase, to cover 10,000 hectares, is tentatively estimated at $12 million with eventual expansion to 70,000 hectares. Possibility of ADB financing.

Opportunities for U.S. firms over the longer-term are especially notable in the hydroelectric field, for which Nepal has enormous undeveloped potential. The new Five-Year Plan envisages completion of three big and three small hydroelectric projects during the plan period. Among them, the 60,000 kw Kulekhani Hydel Project is now beginning to materialize, with loan and grant commitments from various sources: $17.5 million from Kuwait, $18 million from IDA, $10 million from Japan and $3 million from UNDP. Total cost is estimated at $59.5 million.

On the investment side, despite the golden future for tourism in Nepal, there has been an inexplicable lack of response from U.S. hotel chains. Opportunities for mining and forest-products operations also continue to be neglected. While the feasibility of projects in such areas as agribusiness and building materials is not well defined, they also bear investigation. The Government of Nepal has explicitly expressed a welcome for foreign investment and its desire to foster a favorable investment climate. Although the Nepalese market itself is small, under most circumstances the entire Indian market is open to Nepalese manufactures even when global marketing might not be appropriate.

Sierra Leoneans Move To Control Spending Habits

Mining, the most important foreign exchange earner, is the key to the vitality of Sierra Leone's economy, according to the U.S. Embassy in Freetown.

Currently the mining industry of the West African country is in a slump but projected and proposed investments should boost production and stimulate the economy over the next five years. A government campaign for national self-sufficiency in the staple food, rice, is using the incentives of high prices and subsidized inputs to bring new land into production.

Industrial development strategy now focuses on the promotion of export-oriented agro-industries that utilize raw materials made in Sierra Leone. Ambitious investments are being made to improve transport, communications and electrical generating facilities. A serious government budgetary and balance of payments crisis will, however, force hard choices among the various development projects being considered. Economic pressures are the most significant dark cloud on an otherwise tranquil political horizon.

Government overspending has become the major factor causing strain in Sierra Leone's balance of payments. The government has heavily burdened its debt servicing capability by contracting high cost supplier credits. To stem the drain of foreign exchange reserves a system of foreign exchange surrender obligation was introduced in 1974, requiring that export proceeds of resident firms be deposited in banks in Sierra Leone. Present indications are that controls may be tightened during the coming year to include a system of foreign exchange rationing.

The government budget for 1975-76 calls for austerity, curtailed expenditures and new taxes. Nevertheless, the habit of overspending will not easily be broken and the Ministry of Finance has introduced new financial watchdog institutions to assist. Salary increases for government civil servants alone will increase the recurrent budget by $11 million. According to the budget, development expenditure will be reduced and it seems clear that the government will have to choose among the many projects competing for funds.

Increased U.S. activity in Sierra Leone's minerals industry will consolidate the im-

portance of the United States as a market for Sierra Leone's exports. The United States has long been the ultimate destination for a large share of Sierra Leone's rough diamonds. With four U.S. firms now buying Sierra Leone diamonds directly, the U.S. share of the market should increase.

The likely recommencement of rutile mining is expected to result in greatly increased exports to the United States. If potential U.S. investments in other minerals such as iron ore materialize, exports to the United States will increase further. U.S. imports of Sierra Leonean coffee should continue at present levels.

The anticipated upswing in mining activity should boost U.S. sales of earth-moving and other mining equipment. Sales of U.S. food products and airconditioners should continue to grow. Major sales opportunities for electrical generating, transport and communications equipment deserve cultivation. Increased sales of other U.S. products will require the development of contracts with local Sierra Leonean firms capable of dealing in such areas as motor vehicles, construction materials and clothing.

U.S. investment should grow

U.S. investment in Sierra Leone, now minimal, can be expected to grow over the next five years. Rutile mining will require an inflow of American capital. If present prospecting by American firms results in the establishment of new iron ore, diamond or gold mining ventures, U.S. investment will increase further. Sierra Leone's 1975-79 Five-Year National Development Plan clearly recognizes the need for foreign capital and technology. The new budget, which calls for a decrease in government developmental spending, underscores the fact that foreign capital is required to develop the agriculture, agro-industry, tourism, fishing and forestry projects in which the government is interested.

As a beneficiary developing country under the U.S. Trade Act of 1974, Sierra Leone will soon enjoy duty-free access to the U.S. market for many products. Similarly, as a party to the Lome Convention, Sierra Leone's exports now qualify for special access to the European Common Market.

Freer access to these markets may provide another incentive for investors interested in exportable products. At the same time, plans for customs harmonization, improved transportation links and joint planning on industrialization by Sierra Leone and Liberia under the aegis of the Mano River Union should enhance the outlook for investments designed to serve the local market. Investors, however, will have to assess each proposed project carefully in light of Sierra Leone's present financial and balance of payments problems.

Barbados Keeps Relatively Stable

Record earnings from the traditional industries of sugar and tourism have enabled Barbados to maintain relative economic stability despite setbacks owing to massive inflation and recession. GDP declined in real terms 10.8 percent during 1974, chiefly because of inflation of 38.9 percent. Income from traditional sectors backed up by effective government action enabled Barbados to ride out the 1974 economic storm quite satisfactorily with small surpluses in the government operational budget and the balance of payments.

Prospects for 1976 are brighter, adds the U.S. Embassy in Bridgetown, despite the fact that substantial economic problems remain. Barbados' economy remains vulnerable because of its lack of depth and its dependence on uncontrollable factors, especially sugar prices and business conditions in North America. Nevertheless, the rate of inflation, although still high, has slowed markedly in recent months, there are signs of an upturn in North America and new air charter regulations may increase the flow of visitors from the United States in the coming year. Credit will be eased and a number of relatively large capital projects which are or will shortly be under way should keep the island moving through next year.

The principal development on the Barbados financial scene in 1975 was the government's decision in May to sever its links with sterling and to fix the parity of the Barbados dollar in terms of the U.S. dollar at a rate of Bds$2=US$1. The move, prompted by the shift of Barbados' trade from the United Kingdom to North America, the U.K. renunciation of sterling guarantees and the declining position of sterling vis-a-vis other currencies, was welcomed by the financial community, which anticipates more stabilized trade with North America and improved access to its cheaper money markets.

Trade with North America will continue to grow and anticipated elimination of the Commonwealth Preferential Tariff in 1976 will increase the competitiveness of U.S. exports, enhancing sales opportunities for basic, intermediate and capital goods. Small but well-developed manufacturing and commercial sectors and a thriving tourist industry make Barbados a more important market than population or mere per capita income figures might suggest. Prospective exporters can stay alert to developments by establishing or maintaining contacts with the Department of Commerce, the regional Caribbean Development Bank in Bridgetown, and the U.S. offices of the Bank of America, First National City Bank of New York, Chase Manhattan or the First National Bank of Chicago. The Barbados Industrial Development Corp., 800 2nd Ave., New York, N.Y. 10017, also can supply information for businessmen and investors.

Barbados' political and social stability, excellent transportation links, educated work force and the government's commitment to a market economy will continue to make the island attractive to foreign investors both for offshore assembly operations and possibly for plants exporting to other CARICOM countries. Government assistance to investors and tariff protection will continue, but regulation of business is likely to tighten as the government implements policies of significant local participation in foreign business and the hiring of qualified Barbadians whenever available.

Labor-management relations are likely to remain peaceful although pressure to unionize will intensify in the largely non-union export industries. In general, foreign investors are satisfied with treatment received from the government and continue to regard the overall investment climate as favorable. Problems will more likely be found in such areas as worker productivity and management control rather than with government.

Bermuda Market Holding Up Well, Can Absorb More

Bermuda has not entirely escaped the economic malaise which gripped most of the developed world in 1975, but this island economy seems poised to resume gradual but solid economic growth over the next 12 months.

Tourism remains by far the largest sector of the local economy, with American visitors (476,478 in 1974) predominant. With Bermuda's major tourist market in recession, visitor totals and hotel occupancy rates have lagged behind 1974's record pace but steady improvement during the balance of 1975 and next year is predicted by the American Consulate General in Hamilton. Construction activity, in steady decline since the early 1970s, appears to have bottomed out and should increase gradually in coming months. Bermuda continues to enjoy a stable social and political climate and offers American businessmen a small but affluent market, with the United States still the preferred supplier for virtually every item we can land there at a competitive cost.

American products accounted for 44.4 percent of Bermuda's imports in 1974, a slight decline in the 45.01 percent market share in 1973. Statistical comparison of Bermuda's 1974 imports with previous years must consider the effects of soaring

inflation in general price levels and the specific effects of oil price increases since 1973. Bermuda's oil import bill rose from $7.1 million in 1973 to $19.9 million last year and the Netherlands Antilles, origin of most petroleum products imported there, replaced Canada as Bermuda's third largest import supplier (by value). Higher oil expenditures accounted for almost 40 percent of Bermuda's 25 percent increase in value of total imports in 1974 over the previous year.

Local officials note that, while overall imports and customs duties increased in 1974, there were indications that the physical volume of imports declined last year. Most indicators suggest that this decrease in import volume, and in some sectors decrease in import value as well, is continuing this year, reflecting an inventory rundown by local merchants. It is significant that American exporters have generally managed to buck this trend. Value of American imports landed there increased some 24 percent in 1974, well above inflation rates, indicating a real increase in U.S. exports to Bermuda. Imports from most other developed nations in 1974 showed only nominal increases in value in most cases, and actual declines in some instances. In contrast to the slight decline in U.S. market share, the joint market share of Bermuda's three major industrial suppliers (the U.S., U.K. and Canada) fell from 74.9 percent to 67.9 percent last year. The performance of American exporters in 1974 is further evidence of Bermuda's propensity to import from the United States, and the U.S. share of the market should continue to hold up well.

Bermuda offers a small but affluent market for American consumer products. According to a recent government survey, the national average wage is $7,200 yearly and per capita income approaches U.S. levels. As Bermuda merchants shift from inventory reductions currently in progress to replacing and even rebuilding their stocks, the opportunity for sales of American consumer products should improve markedly. Predicted increases in construction activity over the next two years should also increase demand for American building supply products, which are highly price competitive there.

Bermuda continues to offer an affluent and sophisticated market forced by geography and lack of industrial resources to import virtually everything consumed there. American exporters have responded by carving out a substantial portion of this market and the current outlook suggests that continued efforts to cultivate Bermuda customers will prove equally rewarding in the future.

There has been no attempt to measure total U.S. investment in Bermuda but it is unquestionably substantial. Restrictions on foreign investment in local businesses have channeled much of it into tourist complexes and property. Americans own outright or have substantial equity participation in seven local hotels, including five of the largest in Bermuda. The Bermuda Monetary Authority estimates that 75 percent of the investment inflow (which totals $44.7 million since 1972) comes from the United States. Bermuda's business and political leaders continue to welcome foreign investment.

Pragmatic Gabon Development View Aids Transactions

The Gabonese economy is continuing to accelerate, reports the U.S. Embassy in Libreville.

The boom, touched off by the quadrupling of world oil prices and the doubling of Gabon's oil production, is also supported by Gabon's exports of wood, manganese and uranium. Revenues increased substantially in 1974 and should show further increases in the next several years. Expenses have also increased, as Gabon is using its revenues to try and develop the economy. Thus, there is and will continue to be a great deal of economic activity in Gabon.

Gabon has a stable, pragmatic government which follows a liberal economic policy of encouraging private foreign investment and management. The government's policy of economic nationalism (Gabonization) is moderate and does not seek to drive out or discourage foreign firms—only participate with them. For these reasons American firms have an excellent opportunity to obtain large contracts and make substantial sales in Gabon.

President Omar Bongo knows that his country needs foreign private investment, management and technology. During a trip to the United States in August 1973, he encouraged American businessmen to come to Gabon, look around and see for themselves the economic activity going on in the country and how profitable it can be for investors. Political relations between Gabon and the United States are warm and economic relations are strong.

In 1974, $157.9 million in Gabonese exports went to the United States, principally oil and manganese. This was about 17 percent of total Gabonese exports, up from 1973's U.S. share of 10 percent. Imports from the United States in 1974 totaled $78.8 million or nearly 18 percent of total Gabonese imports in 1974. In recent years, imports from the United States have chiefly been aircraft and large equipment for earthmoving, manganese operations and oil exploration. In 1973 the United States had an unfavorable trade balance of $10 million with Gabon, and in 1974 we imported $79 million more from Gabon than we exported, an increase brought on chiefly by the increased quantity of Gabonese oil imported by the United States.

Greater trade is made difficult by the small size of the internal market, the necessity of doing business in French, and traditional trading patterns with Europe, especially France. There are, however, especially good opportunities for Americans interested in investing in Gabon, as the government is interested in diversifying its sources of investment. Current U.S. investment there, over $170 million, is second only to France. Gabon has money to spend and has embarked on an ambitious development program. Roads, factories and ports are being built and new industries being established. Obviously, foreign private investment will be necessary to carry out these plans.

The policy of Gabonization is not a threat to the American investor. Gabonization can perhaps best be described as joint participation. When a new company or industry is established, the Gabonese receive 10 percent of its stock for free, with the option of increasing their participation up to 60 percent by purchasing additional stock at a price agreed upon by the company and government. It is also necessary that the company headquarters be located in Gabon and that a Gabonese be its Director. However, there have been no problems with this system as the companies have received fair prices for their shares taken by the Gabonese Government. Thus, when Gabon increased its participation in SOMIFER (which has the concession for the Belinga iron mine and in which Bethlehem Steel had a 50 percent interest), an agreement on the price to be paid for the shares by the government was worked out easily, amiably and to the satisfaction of the foreign firms involved.

There are many opportunities for U.S. business in Gabon. The fastest growing imports are heavy equipment, air-conditioning equipment, trucks and airplanes. Since Gabon's road system is difficult to use during the rainy season, most communication with the interior of the country is by air. Gabon has over 120 airports and, in the next few years, a sizable portion of Gabon's domestic air fleet will have to be replaced.

Mining also offers opportunities. The Gabonese jungle is so dense that prospecting has never been carried out in a very complete and thorough manner, and there are indications that there may be other undiscovered mineral deposits in the country.

Fishing is also underdeveloped. There are reportedly harvestable quantities of shrimp and lobster offshore, but only sev-

eral small companies that sell their catch on the local market are currently operating, and they are unable to meet local demand. No fish are exported.

The number one Gabonese development project remains the Transgabon Railroad. Actual work finally began in 1975, and the 13-company European consortium that is building the railroad—EUROTRAC—is making good progress. Work currently being done mainly consists of clearing the railbed, terracing, and preparation of station sites. Work has also begun on the railroad's largest bridge, located near Franceville. Completion is still considered likely by 1980.

There are several other large projects that would appear to be especially interesting to American firms. Construction of a pulp mill at Kango has begun, and all of the necessary equipment for the plant, which will have a capacity of 250,000 tons, has not yet been purchased. The government is planning on constructing a mineral port at Santa Clara just north of Libreville to handle the export of minerals evacuated by the Transgabon Railroad. An American firm, Soros Associates, is doing the engineering studies and designs for the port. Construction of the $120 million port is expected to begin about 1981.

The government also plans to build a ferromanganese plant in Franceville to process the manganese found in nearby Moanda. Union Carbide has 10 percent of the shares of the company formed for this purpose. The plant is planned for completion about 1981, at the same time that a large dam at Grand Poubara, which will provide power for the factory, is scheduled for completion. A feasibility study for the dam is currently being done by the French firm Electricité de France, preliminary results of which should be available in early 1976.

A new, larger international airport is also being built in Libreville, there is a program for the construction of several hospitals and clinics throughout the country, and several new hotels are planned.

The U.S. Government currently assists Gabon through loans, guarantees and insurance from the U.S. Export-Import Bank and Overseas Private Investment Corporation. The Peace Corps is also active in Gabon, and A.I.D. will furnish a $5 million soft-term loan for feeder roads required on the Transgabon Railroad project.

The U.S. Embassy in Libreville stands ready to aid any American businessman with briefings, help in securing appointments and any other necessary assistance. Generally, successes that have been achieved by American businessmen in Gabon have resulted from on-the-spot visits by officials capable of dealing in French.

International Business Reports

United States Commercial Relations with Cuba: A Survey. Published by the U.S. Department of Commerce. 76pp. $1.30.
This report, an updated version of a recent statement before the House Committee on International Relations by Arthur T. Downey, Deputy Asst. Secretary for East-West Trade, surveys Cuban trade with both the socialist countries and the industrialized West and focuses on the current legal restrictions to U.S. participation in that trade. Reviews the Cuban economy and its links with the U.S. prior to the 1958 revolution and describes the development of Cuba as a centrally planned economy since then. Also discusses the problems that would be inherent in a resumption of trade with Cuba as well as Cuba's export capabilities and import needs. Included are tables on trade with past and current partners and a list of Cuban *Empresas* or foreign trading enterprises.

Write: U.S. Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20204. Also available at many Commerce District Offices.

Survey of Funds. 1975 edition. Toronto. 332pp. $15.
Highlights the performance record of Canadian investment funds. Other sections review pooled pension funds operated by trust companies and life insurance companies, closed-end investment funds, and investment management companies whose shares are publicly traded.

Write: The Financial Post, 481 University Ave., Toronto, Ontario, M5W 1A7.

Economic Surveys for Canada, Germany and Belgium-Luxembourg. Published by the Organization for Economic Co-operation and Development. $1.75 each.
Recent economic developments and policy measures taken by the respective governments are described.

Write: OECD Publications Center, Suite 1207, 1750 Penn. Ave., NW., Washington, D.C. 20006.

Catalog of Trade Lists. Published by the U.S. Department of Commerce. Free.
Each Trade List costs $3 and contains names and addresses of prospective agents, distributors and end-users of products and services in the subject country. Lists available for some 130 countries.

Write: U.S. Department of Commerce, DIB/1033/TL, Washington, D.C. 20230. Also available at most Commerce District Offices.

Calendar For World Traders

Nov. 3—New York—FCIB Roundtable Conference, Summit Hotel.

Nov. 6—Memphis—Mid-South Exporters roundtable seminar on The International Executive-1976, Memphis State University. Stanley Katz, Acting Deputy Asst. Secretary of Commerce, will speak.

Nov. 11—New York—FCIB Hardware-Automotive & Allied Trades Group luncheon meeting, Summit Hotel.

Nov. 12—Anaheim, Calif. — Orange County Chamber of Commerce conference on Latin America. Charles W. Hostler, Deputy Asst. Secretary for International Commerce, will speak.

Nov. 12—New York—FCIB Publishers Export Credit Group luncheon meeting, Summit Hotel.

Nov. 12-14—New York—Seminar on Selling in the Arab World, American Management Assns.

Nov. 13—New York—Overseas Automotive Club luncheon meeting, Summit Hotel.

Nov. 14—New York — FCIB Drug, Chemical & Food Export Club annual meeting, Philippine Center.

Nov. 17—San Diego—Export seminar on Indonesia, Malaysia and Singapore. Tom C. Moore of the Bureau of International Commerce will speak. Also, Nov. 18 at Portland, Ore., and Nov. 20 at Seattle.

Nov. 17-19—New York—International Records and Information Processing Conference, World Trade Institute.

Nov. 18—New York—National Foreign Trade Council Convention. Arthur Downey, Deputy Asst. Secretary of Commerce, will discuss East/West trade.

Nov. 18 — Louisville — 26th Kentucky World Trade Conference, Executive Inn West. Theme: Economic relations between U.S. and Iran. Sponsors include: University of Louisville International Center, Memphis District Office.

Nov. 19—Chicago—Seminar on Internationalizing Your Business, La Salle Hotel. Sponsors: International Trade Club of Chicago, De Paul University.

Worldwide Business Opportunities

International trade specialists in the Department of Commerce and Foreign Service Officers in the U.S. Embassies and Consulates around the world are continually developing specific commercial opportunities through which American companies can find buyers, agents, partners or investors abroad. One of the major means for communicating these opportunities promptly and accurately to the U.S. business community is through the columns of this magazine.

The section that follows presents details about upcoming trade exhibits and trade missions, licensing and joint venture proposals, opportunities to sell to foreign enterprises and appoint agents, and details on major construction and expansion projects.

Licensing, Investment Abroad

MEXICO—Report reviewing various trade and investment opportunities in **Mexico's handicraft industry** is now available to U.S. businessmen. The report, "Handicrafts From Guadalajara," describes potential for sale of U.S. machinery to Mexico to increase quality and quantity of handicraft production. It suggests that U.S. investors might consider joint venture in-bond manufacturing plant to produce handicrafts on large scale. Examples of typical handicrafts include leather belts, shoes and sandals, jackets, pantsuits, hats; ceramic, stone and enamel ware; silver jewelry; blown glass household items; cotton and synthetic fiber embroidered or knitted wearing apparel; tin sculptures; iron and wood furniture; paper mache figures. Report includes list of State organizations actively promoting Mexico's handicraft industry. Copies may be obtained from Overseas Products and Investment Opportunities Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. P-75714.

1500—WEST GERMANY — Construction engineer seeks to represent American **construction** interests in West Germany. Fluent in English, French and German. Contact Ms. Doris Atkind, Trade Promotion, European-American Banking Corp., 10 Hanover Sq., New York, N.Y. 10005. Telephone: 212-623-3600. P-75700.

2200 — GERMANY — Textile agent and wholesaler desires contact with American **textile manufacturers** interested in representation in West Germany. Will be in U.S. Nov. 16-23. Contact Ms. Doris Atkind, Trade Promotion, European-American Banking Corp., 10 Hanover Sq., New York, N.Y. 10005. Telephone: 212-623-3600. P-75699.

2329, 2339—ARGENTINA — Large manufacturer of sporting apparel seeks U.S. licenses to produce **ski, tennis and booting wearing apparel.** Products will be exported to Latin American and European countries. Interested U.S. firms should know about Law 20,794 governing transfer of technology and licensing agreements in Argentina. Sam Falatycki, Managing Partner, Mirla S R.L. General Urquiza 48, Buenos Aires. P-75715.

2822, 3079—GERMANY — Seeks technical know-how to produce **rubber and plastic products** requiring high level technology. Firm manufactures and processes rubber and plastic coated rollers for printing industry. It specializes in formulating and processing all special elastomers from 10 to 100 Shore A. Established in 1878, company employs 900 and has annual sales of $15 million. Horst W. Loosen, General Manager, Felix Boettcher GmbH, 351-353 Stolberger Str., 5 Koeln 41. P-75707.

2834—ECUADOR—Seeks to form joint venture with qualified U.S. firm to produce **saline solutions, glucose solutions and similar products.** Ecuadorean investors are wealthy and influential business and professional men, without experience in this type of venture. Therefore, U.S. company should be able to offer technical and managerial expertise. Feasibility study will be done by Ecuadorean Government Industrial Development Center. Financing will be provided by investors and Ecuadorean Government financial institutions. Sr. Jose Molinari, Casilla 4898, Quito. P-75708.

3079—GERMANY—Seeks licenses to produce **punched and embossed plastic credit and identfication cards with and without magnetic recogn'tion.** Licensor would be expected to supply technical know-how and machinery. Firm currently manufactures credit and ID cards and wishes to expand production using new technology. Established in 1948, company employs 7 and has annual sales of about $1.6 million. Sicherheitsausweis Systeme Franz Engels, Gatherweg 79, 4 Duesseldorf 1. P-75713.

3211—KOREA—Seeks technical assistance for production of **glass doors and insulated glass** used in building construction. Presently manufactures insulated glass with domestic technology and is developing its own technology for glass doors. However, management states that firm needs U.S. technology to upgrade products to international standards so that it can market them more effectively in domestic market and develop foreign markets. Firm claims that it controls 10 percent of domestic market for sheet glass. Bok-Yoon Kim, Vice President, Kukyong Glass Co., Ltd., 139, 3-Ka, Ulchi-Ro, Chung-Ku, Seoul 100. WTDR. P-75704. OPIC.

3264—ISRAEL — Seeks license to produce **high-voltage porcelain insulators.** Would be used in transmission lines to meet Israel's growing electrical power network. Firm plans to set up plant which will be exclusive supplier to Israeli Electric Co. Firm manufactures industrial and other porcelain products, employs 1,053, reports 1974 sales of $10.6 million; is a division of Koors Industries, Israel's largest industrial concern. Norman Feinberg, Development and Operations Manager, Koor Ceramics, 8 Shaul Hamelekh Blvd., Tel Aviv. P-75692. OPIC.

3272—NETHERLANDS — Seeks collaboration with U.S. firm for production of **building materials.** Firm particularly interested in materials for roadbuilding and nautical works, concrete-iron constructions, iron forge, engineering works, reinforced concrete construction works, inland and coastal shipping. Desires also to manufacture kitchens. Contact Ms. Doris Atkind, Trade Promotion, European-American Banking Corp., European-American Bank & Trust Co., 10 Hanover Sq., New York, N.Y. 10005. P-75703.

3321—ISRAEL—Division of Vulcan Foundries Ltd. is seeking licensing or know-how agreements to manufacture new engineering products based on **gray iron castings.** Planned output could reach 10,000 tons per annum. Company presently producing cast-iron gate valves. Vulcan Foundries is wholly-owned subsidiary of Koors Industries and is largest of its kind in Israel. It is equipped with advanced mechanized foundry, machinery, tools, testing facilities. Employs 700, reported 1974 sales at $8 million. Parent company, Koors Industries, is Israel's largest industrial concern. with sales of approximately $485 million and expected to reach $900 million this year. N. Milstein, Vulcan Foundries Ltd., P.O. Box 624, Haifa, Israel. P-75709.

3495 — ISRAEL — Firm seeks licensing arrangement to manufacture **precision springs,** such as mainsprings, torsion springs, form and flat springs and plat parts for knitting machines which would fit into company's production program. Company established 1888, employs 650, exports worldwide. Kern-Liebers, Plainten-und Federnfabrik, Industriestrasse 35, D-7230 Schramberg 11. Cable: KERND; telex, 076824; telephone, 07422/511-1. P-75698.

3500—BELGIUM—Large producer of rolling stock, diesel locomotives, other railroad cars seeks to expand its product line. Is interested in licenses to manufacture **equipment in automotive field, lift trucks and/or heavy military equipment.** Its products include steel and aluminum containers, special boilers, materials handling equipment, pressure vessels, gas storage tanks and truck bodies. Firm also does special metal pressings, all kinds of forgings, hot dip galvanizing and plastic coating. Employs about 3,000 in three plants; is affiliated with Belgium's largest holding company. Business reputation and financial standing are excellent. Marc Van Vooren, Marketing Manager, N. V. Brugeoise et Nivelles, 8200 Brugge. WTDR. P-75697.

3573—INDIA—Seeks license to manufacture **magnetic disk drives.** Plans call for production of 2,000 disk drives annually. Firm presently represents 30 American manufacturers of electronic components, equipment and systems. Its director, Anand K. Sethi was educated in U.S., is trained electronics engineer. He plans to visit U.S. around middle of November for meetings with interested companies. Contact Mr. Sethi through the following U.S. addresses: c/o Knypstra, 3721 Alta Mesa Place, Studio City, Calif., telephone, 212-769-3087; or Larry Plummer, President, Kras Corp., Penn Warner Industrial Este, Fairless Hills, Pa. Indian company is SMS Associates Private Ltd., D1/42 Vasant Vihar, New Delhi 110057. WTDR. P-75701. OPIC.

3600—SWITZERLAND—Interested in representation agreement or manufacturing under license **electrical or electronic subassemblies, instruments, systems, products in acoustics and telecommunications, sound systems and related apparatus in low-frequency range.** Firm produces and distributes sound systems, telecommunications equipment and low-frequency electronic systems. Is leading supplier to schools, public buildings and theaters. Established in 1962, employs 60. R. A. Herzog, Manager, Uniton AG, Pumpwerkstrasse 18, 8105 Regensdorf. WTDR. P-75710.

3621—INDIA—Seeks license and engineering services to manufacture **d.c. mirco motors.** Plans to establish facility in Delhi

to produce 60,000 motors the first year, expand annual production to 200,000. Initial cost of project is estimated at $100,000. About 20 percent of production will be exported. Manufacturers of tape recorders and record players are principal users of these motors. Presently, India imports substantial amount of micro motors from abroad. Brigadier R. R. Suri (Retd.), B81 Defence Colony, New Delhi 110024. P-75706. OPIC.

3662—ITALY—Seeks licensing arrangement for production of **optical-electronic sighting equipment, aircraft navigational instruments including autopilots and guided missile parts and accessories.** Firm works mostly on orders for Italian Armed Forces and NATO, specializing in manufacture of high-precision optical equipment including sighting and fire control, photogrammetry, mapping, telemetering and aircraft navigational equipment. Firm already has many manufacturing licenses from foreign companies, but wishes to diversify and expand its production with most advanced equipment which combines electronics to its traditional optical-type instrumentation. Dr. E. Dragone, Foreign Trade Manager, O.M.I.—Ottico Meccanica Italiana S.p.A., Via della Vasca Navale 81, 00146 Rome. WTDR. P-75712.

3679—GERMANY—Firm seeks to license **processes for etching printed circuits used in** electronics industry. Is also interested in acquiring related technology. Company presently is engaged in mixing, grinding, filling and packing of chemicals for printing and copying industries. It wants to expand product line. Firm has a sound business reputation. Integral GmbH & Co. K.G., 54 Vorster Str., 4152 Kempen 1. P-75696.

3679—ISRAEL — Agricultural corporation seeks joint venture to **build assembly plant** to carry out subcontracting operations for an established U.S. manufacturer in one of following fields: military or civilian electronic equipment; auxiliary household equipment; surveying/measuring equipment; watches; and gears and similar machinery. U.S. firm would supply technical assistance and act as consultant for construction of facility. Israeli group plans to invest $1 million in the project. Would provide land, buildings and necessary equipment. D. Peleg, Yeadim Development Corp. Ltd., P.O. Box 304, Ashkelon. P-75693. OPIC.

3679—UNITED KINGDOM—Seeks license to manufacture **small components of a scientific, electronic or computer peripheral nature.** Firm presently produces interfaces for scientific instruments and repairs filaments for mass spectrometers. Michael P. Harper, B.SC., Managing Director, Beta Peripherals Ltd., 11 Lock Road, Marlow, Buckinghamshire, England. P-75695.

3842—UNITED KINGDOM—Seeks licensing arrangements for products in rehabilitation market, complimentary to its present line. Manufactures and exports **wheelchairs, prosthetic items and orthopedic appliances.** Firm employs 700 persons and has annual sales of $20 million. J. B. Waggott, Director, H.V.K. Orthopaedic Services Ltd., Linwood House, Woodbridge Meadows, Guilford, Surrey GU1 1BE, England. P-75702.

3861 — INDIA — Seeks collaboration with U.S. firm for manufacture of **portable film processors and 35 mm. projectors.** Proposal calls for establishment of plant at Kandla Free Trade Zone, Gandhidham, Kutch, Gujarat State, to annually manufacture 200 portable film processors and 360 35 mm. projectors. For each project, sponsor is interested in locating an American firm willing to provide technical know-how and long-term marketing tie-up with provider of technology because both plants are envisoned as 100 percent export oriented. Total cost of project is estimated at $350,000. Because plants will be in Kandla Free Trade Zone, imports of machinery and equipment and raw materials will be freely permitted. Deepak A. Deshpande, Partner, Mittal & Deshpande, D 311 Defence Colony, New Delhi 110024. P-75705. OPIC.

3914—KOREA—Licensing or joint venture arrangement sought to produce **nail clippers, nail files, knives, can openers and key chains.** Firm produced $1 million worth of these products in 1974. Company's plant has 25,200 sq. ft. of floor space on site of 144,000 sq. ft. Established in 1954, employs 300. Hyuch C. Kwon, Trade Manager, Bell Metal Industries Co., C.P.O. Box 4925, Seoul 100. Telephone, 23-9656; cable, BELLMETAL SEOUL. P-75694.

3949—SOUTH AFRICA — Seeks licensing arrangement for manufacture of **self-propelling golfcart** which follows golfer around course by means of an electronic homing device consisting of transmitter and receiver with ultrasonic VHF beam. Dr. J. Polonsky, c/o Dr. N. Nordon, 1 Suburban Gate, New Hyde Park, New York, NY 11040. P-75711.

Licensing In U.S.

For additional information on these opportunities to manufacture foreign firms' products in the United States under a licensing agreement or in partnership, write the Domestic Investment Services Staff, Bureau of International Commerce, Room 4020, U.S. Department of Commerce, Washington, D.C. 20230 (202-967-2248), referring to the appropriate file number.

GERMANY—Licenses are sought for new patented armchair, made of plastic and leather with aluminum frame. Back and arm rests adjust to position of occupant. File 2837

GERMANY—Manufacturer and distributor of high quality surface primers used in automobile and electrical industries is looking for U.S. joint venture partners, preferably producers of paints or electric wiring. File 2838

JAPAN—Inventor offers his unique, double-rolled toilet paper holder for manufacture under license. File 2839

SWITZERLAND—Patented miniature oxygen torch is offered for licensing. This type of torch is designed for cutting rock or concrete at building sites and for use in iron and steel industries. File 2840

SWITZERLAND—Manufacturer of irrigating and drainage systems wishes to license its new underground system for golf courses, gardens, and agricultural fields. This system, consisting of piping network controlled by automatic valves, is also used for fertilizing and controlling soil temperature. Additional feature is its collection of excess water for use during dry spells. File 2841

SWITZERLAND—Small representative and manufacturer of metalworking machine tools and related dies and handtools seeks licensees for its special type of sideslip-secured screws for cutter arbors. Sideslip-secured wrenches for use with the screws are included in offer. File 2842

Organization In Brazil Offers Business Services

Great Start Ltda., a private organization, offers a variety of commercial services to businessmen visiting Brazil.

On request, Great Start can make appointments in the industry or field of interest to the client, prepare lists of interested parties or verify proper addresses and telephone numbers, contact the various parties, and prepare itineraries which would be available on arrival or which could be forwarded to the U.S. firms. Its staff will accompany businessmen on their visits to existing or new contacts and will follow up letters and/or visits, with its premises to be utilized as a business forwarding address.

Great Start will put its clients in touch with experts on legal, fiscal and financial matters, foreign trade regulations, and other such information. The organization also provides a wide range of personalized services, usually at no extra cost, including oral and written translations, shorthand, typing, copying, arrangements for car rentals and purchases, drivers' licenses, registration of telex's and post office boxes and even purchases of stationery and supplies.

For more information on assistance available contact Mrs. Astrid Rizzi, President, Great Start Ltda., Executive Offices & Service, Praca da Republica 177-Conj. 111, C. Postal 6038, Sao Paulo, Brazil; telephone, 34-3245; cable, GREATSTART. P75690.

Tunisia Projects Cement Plant

The Tunisian Government plans to award a contract early in 1976 for the design and, eventually, construction of a "white cement" plant capable of producing 200,000 tons per year. U.S. design firms interested in undertaking this project are requested to contact: Mohieddine Bechraoui, President/Director-General, Tunisian National Center for Industrial Studies, B.P. 549 R.P., Tunis. Bechraoui is also President of CIMAT, a Tunisia/Algerian joint venture which issued a call for bids earlier, in 1975 for construction of a grey Portland cement plant in western Tunisia at Thala.

Licensing and investment proposals from foreign firms are listed in these columns. Specific product interests in each proposal are highlighted in bold type to facilitate identification and each proposal is preceded by the appropriate four-digit product number taken from the Standard Industrial Classification (SIC) Manual.

Background information on opportunities abroad and assistance on overseas investments are available from the Overseas Products and Investment Opportunities Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. "P" numbers should be used when responding to any of the specific proposals listed.

WTDR indicates that a World Traders Data Report containing financial and background information on the foreign firm is available for $15 from the Export Information Division, Room 1313, U.S. Department of Commerce, Washington, D.C. 20230, or from any Commerce District Office.

OPIC indicates that the country involved is eligible for investment insurance coverage and financing from the Overseas Private Investment Corporation. Information regarding applicable coverage may be obtained from OPIC, Washington, D.C. 20527.

Foreign Trade Inquiries

These trade opportunities are based on reports received from the U.S. Foreign Service—Department of State by the Trade Opportunities Division, Room 2323, U.S. Department of Commerce, Washington, D.C. 20230. The commodities in which foreign firms have interest are indicated by the five-digit numbers and commodity classifications which are from the Standard Industrial Classification (SIC) Manual and the Numerical List of Manufactured Products, 1972 Census of Manufactures.

U.S. firms should be aware that the listing in Commerce Today *of opportunities to trade in specific commodities and technical data does not necessarily imply approval of their export by the Department of Commerce pursuant to the Export Administration Act of 1969. Applicable export licensing regulations must be followed.*

Every effort is made to include only traders with good reputations. However, the Department cannot be responsible for any trade relations.

WTDR indicates that a World Traders Data Report on this specific firm is available at $15 from the Export Information Division, Room 1313, U.S. Department of Commerce, Washington, D.C. 20230. A WTDR is a trade profile which contains commercial information including financial references, on an individual foreign firm. Orders must include complete name and address of the subject firm and be accompanied by payment. Further information concerning WTDRs and request forms are available at each Commerce District Office.

The mark (•) indicates that this trade opportunity is a request for bids by a foreign government agency.

Direct Sales

Building construction

• **15100—WEST INDIES**—Government of St. Lucia invites submission of prequalification data from contractors interested in construction of urban working class housing project at Ciceron, Castries, St. Lucia, financed by loan from Caribbean Development Bank (CDB) utilizing U.S. AID funds. Total project would consist of infrastructure works for subdivision of 105 low-income homes. Payments by CDB will be made only upon approval by St. Lucia Government in accordance with terms/conditions of loan agreement. Only contractors whose principal place of business is in U.S. or in member country of CDB eligible to bid. Some materials/fittings being procured by Urban Development Corporation and schedule of these items will be available to tenderers at appropriate time. Prequalification data submitted for consideration should include: 1) firm's experience and record on similar job requirements, 2) firm's capabilities as to size, efficiency/financial situation, and 3) availability of equipment. Data should be forwarded in sealed envelopes addressed to Chairman, Joint Committee, Urban Working Class Housing Project, Ciceron, P.O. Box 299, Castries, St. Lucia, W.I., by Nov. 15. Copy should be forwarded to Caribbean Development Bank, P.O. Box 408, Barbados, W.I.

• **15100, 16200, 36200—SOMALIA**—Tender involving following: 1) supply of 20 MW diesel generator, 2) construction of diesel generation station, 3) construction of administration and training school buildings, 4) construction of a small housing development of about 41 houses, a mosque, community center, and all associated infrastructure such as roads, water supply, sewage, etc. Interested firms should contact Sir Murdoch MacDonald and Partners, P.O. Box 996, Mogadiscio, Somali Democratic Republic, to register and obtain tender documents, which cost US$314. Financed by loan from Kuwait Fund for Arab Economic Development.

Highway & street construction

• **16100, 16200—BRAZIL**—Tender for construction of two-berth container terminal, highway access, and ancillary construction on left bank of Santos Port area in State of Sao Paulo. Will be partially financed by funds originating from IBRD Loan No. 765-BR of June 21, 1971. Full bid instructions, specifications and other technical information may be purchased for 20,000 cruzeiros (approximately US$2,500) from: Departmento Nacional de Portos e Vias Navegaveis, Diretoria Executive, Grupo Executivo de Licitacoes, Praca Maua, 10—2nd Floor, Rio de Janeiro. Bid deadline Dec. 10.

• **16100 — YEMEN ARAB REPUBLIC** — Tender for project involving construction of Rada to Al-Bayda Road located in mountainous, broken countryside in southeast Yemen. The 130-km. road will be constructed as secondary road with pavement consisting of gravel sub-base, crushed stone-base, and bituminous surface treatment. Work will commence in early 1976 and should be completed within 910 days. Construction will be financed by either World Bank or Saudi Arabia. Documents available for US$300 after Nov. 7 from either The Highway Authority, P.O. Box 1185, Sana, Yemen (cables TOROKAT, SANA, YAR), or Ingeroute-Gibb, Shell/BP House, P.O. Box 30020, Nairobi, Kenya (cable: GIBBOSAR, NAIROBI; Telex: 22537, NAIROBI). Interested firms must place order before Nov. 1. Site visit set for Dec. 1. Firms should notify Ingeroute-Gibb before Nov. 25 if attendance is desired.

Heavy construction

• **16200—MALAWI**—Ministry of External Affairs invites expressions of interest in tendering for construction of Tangazi River Bridge and adaptation of Chiromo Bridge to road/rail facilities (Contract No. 6/75) in Lower Shire Valley in southern region. Work includes approximately 365 000 pounds structural steel, 44,000 pounds reinforcing steel, 254 cubic yards concrete and .45 miles approach road. Only firms from member countries of IBRD or Switzerland eligible to submit tenders for this project, which is financed by Malawi/IDA loan. Interested firms should obtain tender documents and qualification questionnaire from office of Daniel, Mann, Johnson & Mendenhall, City House, P.O. Box 30003, Capital City, Lilongwe 3. Bid deadline Dec. 5.

• **16200—DOMINICAN REPUBLIC**—Prequalification of firms for construction of 18-hole golf course in Playa Dorada on northern coast, part of Central Bank's tourism project financed by World Bank loan. Contract calls for: removal of vegetation, earthmoving and construction of lake, installation of drainage system, construction of greens, tees and fairway bunkers, installation of irrigation system, installation of water pump stations, and construction of fairway. Title of the project is Concurso Pre-Calificacion Camp de Golf. Payment will be made in Dominican Pesos (RD$1 equals US$1) for goods and services purchased in Dominican Republic; other goods and services will be paid in U.S. dollars. Prequalification documents available from Robert Trent Jones, Inc., 7 Church St., Montclair, N.J. 07042. Prequalification deadline Nov. 14.

Converted paper, paperboard products

2647151—COLOMBIA — Sanitary tampons. Advise minimum shipping units; quote for large quantities. Reply to Alvaro Escobar Mejia, Mgr., Escobar Asociados, Carrera 9 No. 9-49 Piso 6, Cali. Tel. 68 67 16.

Important Notice

Member countries of the League of Arab States employ a secondary boycott against foreign firms which undertake certain specified types of business relationships with the State of Israel. It is possible that U.S. firms responding to trade or investment opportunities from Arab countries published herein may be asked at some stage of a transaction to participate in an Arab boycott-related restrictive trade practice as defined in the Department's Export Administration Regulations (15 CFR, Part 369 et. seq.).

Firms are reminded that pursuant to Section 3(5) of the Export Administration Act of 1969, as amended, it is the policy of the United States (a) to oppose restrictive trade practices or boycotts fostered or imposed by foreign countries against other countries friendly to the United States, and (b) to encourage and request U.S. concerns engaged in the export of articles, materials, supplies, or information to refuse to take any action, including the furnishing of information or the signing of agreements, which has the effect of furthering or supporting such restrictive trade practices or boycotts. Accordingly, U.S. concerns receiving such requests to participate in a restrictive trade practice or boycott are encouraged and requested to refuse to comply with them.

Firms are further reminded that U.S. concerns receiving requests to participate in a restrictive trade practice or boycott must report such receipt to the Department of Commerce in accordance with Section 369.2 of the above-cited regulations.

Industrial chemicals

●28100—MALAYSIA — Unspecified quantities of water treatment chemicals to be delivered during two-year period Jan. 1, 1976, to Dec. 31, 1977. No tender number. Deadline Nov. 26. Tender documents may be obtained for US$1 per set from Superintendent, Office of Stores, P.W.D. Headquarters, Jalun Tun Ismail, Kuala Lumpur. Tenders should be submitted to Director-General of Public Works, Peninsula of Malaysia, P.W.D. Headquarters, Jalun Tun Ismail, Kuala Lumpur. Deposit of M$10 000 (US$1,000) earnest money must accompany each tender, and will be forfeited if tender is withdrawn within 60 days of deadline date.

Gum, wood chemicals

28600—MALAYSIA — Vinylchloride monomer 10,000-20,000 metric tons for 1976. Interested firms should contact directly: Synthetic Resins (M) B4D, Room 731, Hotel Merlin, Jalan Sultan Ismail, Kuala Lumpur 04-02. Attention: R. Khor Chin Pofy. Cable Humemalaysia Petaling Jaya.

Leather gloves, mittens

315101X — GERMANY — Gloves: 23,000 pairs for drivers, lined; 1,000 pairs for drivers, not lined; 30,000 pairs (Neat's nappa); 6,000 single right gloves (Neat's nappa); 25,000 pairs sheepskin; 5,000 single right sheepskin. Specifications available from Postkleiderkasse, Rechtsfaehige Anstalt des Oeffentlichen Rechts, 7 Stuttgart 1, Postfach 5006, Telex 722005.

Pottery, related products

3263052—JAPAN—Kitchenware, for cooking, serving & storing, such as dinner plate, coffee pot, sugar bowl, creamer, etc. Annual purchase $10,000. Small-scale importer & exporter of gen. merchandise. Annual sales $133,000 & paid-in capital $13,000. Ref: Daiichi Kangyo Bank, Sakaisuji Br., Osaka. Reply to—Mr. Yoshihiro Matsumoto, Gen. Mgr., Sunty Trading Co., Ltd., Higashi Bldg., 6-1 Kawaramachi Higashiku, Osaka 541. Cable: Yymsunt Osaka; Tel: 06-227-5037.

Concrete, gypsum, plaster products

32750XX—BAHAMAS — Calcium sulphate (plaster of paris) 90-95% pure for making of school chalk. New non-profit making co. set up to train handicapped people to produce items for local consumption. Owner is businessman well-known to local financial & business community & considered responsible for his normal trade commitments. Reply to—Capt. John Fisk, Mgr., Abilities Unlimited Ltd., P.O. Box N-3938, Nassau. Tel. (809) 325 4332.

Steel mill products

● 33100 — INDIA — 2,820 meters seamless steel tubes, various sizes. Tender No. HMB/PUR/00345; bid deadline Nov. 11. Heavy Engineering Corporation Ltd., P.O. Dhurwa, Ranchi, Bihar 834004. Interested bidders advised to quote c.i.f. Calcutta price and latest delivery period. Tender documents available at above address.

Rolling, drawing, & extruding of nonferrous metals

● 33500 — IRELAND — Supply, install and test audio junction cables in Dublin City area in accordance with specification No. DNC/J/2/75. Tender No. C/610/11/14; bid deadline Nov. 14. Department of Posts and Telegraphs, Contracts Section, Marlborough St., Dublin 1. Tender documents available from Copper, Lead and Zinc Program, BDC, U.S. Department of Commerce, Washington, D.C. 20230, 202-967-2438.

Construction, mining, materials handling machinery, equipment

● 35310 — SOUTH AFRICA — Government invites suppliers to bid for container cranes, Tender No. 1030 71392. Tender documents available from Chief Stores Superintendent, Rm 801, Melhof, 2 Melle St., Braamfontein, Johannesburg, against payment of deposit of R20 per set. Bid deadline Jan. 9.

General industry machinery

● 35600—AFGHANISTAN — Phase I: 400 water pumps, est. 230 shallow draft, 170 deep wells; Phase II: 1,200 pumps, est. 700 shallow draft, 500 deep wells. Shallow draft pumps for depths of 6 to 30 meters, 10 to 25 litre/second capacity, 8 to 18 HP. deep well pumps for 30 to 80 meter wells, capacity to 100 litre/second, 20 to 60 HP. Currently require diesel-powered units; later orders may use electric-powered units. Offers should include complete technical description and literature. Order will include spare parts so manufacturers' recommendation for stock of spares desired. Servicing is critical factor. Include with offer service manual, manufacturer's estimate of level of skills necessary to adequately maintain equipment. Interested firms contact Mr. H. J. S. Marples, Herat Livestock Development Corp., P.O. Box 7, Herat.

● 35600—NEPAL — Supply, erection, and maintenance of pumping equipment and electrical materials for Groundwater Scheme Phase II of Narayani Zone Irrigation Development Project. Equipment includes: (1) 14 sets of tube well pump, direct coupled with submersible motors, complete with accessories; (2) 14 sets of automatic operating apparatus for pumps with timers, water level switches and control cables; and (3) electrical materials for power receiving facilities and 11 KM long, 11 KV distribution lines, including 14 sets of 75 KVA transformers. Contract No. GF-2; bid deadline Dec. 14. General Manager, Narayani Zone Irrigation Development Project, Head Office, Sripur, Birgunj. Tender documents available at above address upon deposit of NRS. 100 or equivalent (approximately $10) for each complete set in Project Account No. 435 KHA 3 of Nepal Rastra Bank, Birgunj.

Office, computing, accounting machines

● 35700—SRI LANKA—State Trading (General) Corp., 119 Wekande Rd., Colombo 2, has issued an invitation to bid on supply of typewriters with English keyboard, carriage sizes 9, 11, 12, 13, 14, 15, 18, 20, 22, 24, 26, 28; typewriters with Tamil keyboard, carriage sizes 12, 13, 14, 15, 18 and 20; typewriters with Sinhala keyboard, carriage sizes 9, 11, 12, 13, 15, 18, 22, 24, 25, 26. Bid deadline Nov. 11. Copy of specifications available from Sri Lanka Embassy, 2148 Wyoming Ave., NW., Wash., D.C. 20008.

Communications equipment

● 36610—INDIA—Director General, Post & Telegraphs, has issued tender No. 12-126/75-MMD for 60 MHz coaxial system for Bombay-Thana Route—distance 35 kms. Bid deadline Dec. 9. Copy of specifications available from Asst. Director General (Imports), Room No. 514, P&T Directorate, Parliament St., New Delhi-110 001, India for $2.74 (not refundable).

● 36610—GREECE—Hellenic Telecommunications Organization (OTE), Purchasing Department, 6 Klissovis St., Athens, has issued a tender for supply of 400 line concentrators. Bid deadline Nov. 28. Copy of specifications available from above address or on short-term loan basis to firms located in U.S. from Science and Electronics Div., BDC-466, Room 1001, U.S. Dept. of Commerce, Washington, D.C. 20230, 202-967-5569.

● 36610—GREECE—Hellenic Telecommunications Organization (OTE), Purchasing Department, 6 Klissovis St., Athens, has issued tender No. 7105 for design, supply and installation of equipment for new telex exchanges. Bid deadline Jan. 20. Purchase to be financed from procuring agency's budget. Copy of specifications available on short-term loan basis to firms located in U.S. from Science and Electronics Div., BDC-466, Room 1001, U.S. Department of Commerce, Washington, D.C. 20230, 202-967-5569.

● 36610—IRELAND—Department of Posts and Telegraphs, Contracts Section DJ, Marlborough St., Dublin 1, has issued tender No. C/610/11/14 for supply, installation and testing of audio junction cables in Dublin City 01 Area in accordance with specification No. DNC/J/2/75. Bid deadline Nov. 14. Project financed from Central Government funds. Copy of specification available on short-term loan basis to firms located in U.S. from Science and Electronics Division, BDC-466, Room 1001, U.S. Dept. of Commerce, Washington, D.C. 20230, 202-967-5569.

● 36610—THAILAND—Procurement Division, Telephone Organization of Thailand (TOT), Ploenchit Rd., Bangkok, has issued tender No. TOT B-13 for provincial telephone plant project 1972-1976 to include sheathed cables, meters, etc. Bid deadline Dec. 11. Project financed by IBRD General Fund Loan. Copy of specifications available from above address for $100, or on short-term loan basis to firms located in U.S. from Science & Electronics Div., BDC-466, Room 1001, U.S. Dept. of Commerce, Washington, D.C. 20230, 202-967-5569.

● 36620—COLOMBIA—Sub-Direccion Administrativa Inravision, Instituto Nacional de Radio Y Television Oficina 308, Centro Administrativo Nacional-Can, Avenida el Dorado, Bogota, has issued tender No. LICITACION PUBLICA INTERNACIONAL for acquisition either internally or abroad of following required items for audio linking between TV Studios and national broadcasting radio transmitters: 300 meters of coaxial cable, six transmitters, six receivers, and ten transmitting antennas. Bid deadline Nov. 28. Copy of specifications available at above address for $33 each copy, not refundable.

● 36620—HONG KONG — Central Tender Board, Colonial Secretariat, Central Govt. Offices, Lower Albert Road, Hong Kong, has issued Tender No. PT/55/75, Supplies A-27229 for supply (including any development work), delivery, installation and setting to work of closed circuit television system for surveillance in new Post Office headquarters. Bid deadline Nov. 14. Copy of specifications available on short-term loan basis to firms located in U.S. from Science & Electronics Div., BDC-466, Room 1001, U.S. Dept. of Commerce, Washington, D.C. 20230, 202-967-5569.

● 36620—MALAYSIA — Telecoms Department, Telecommunications Headquarters, Jalan Bukit Mahkamah, Kuala Lumpur, has issued tender for supply of VHF FM communications equipment and accessories. Bid deadline Nov. 26. Tender documents avail-

able from above address for $50, or on short-term loan basis to firms located in U.S. from Science and Electronics Div., BDC-466, Room 1001, U.S. Dept. of Commerce, Washington, D.C. 20230, 202-967-5569.

Railroad equipment

• **37430 — SOUTH AFRICA** — Government invites suppliers to bid for 50 bogie explosives' wagons, Type GZ-2, Tender No. 1020 71289. Tender documents available from Chief Stores Superintendent, Rm 3, Melhof, 2 Melle St., Braamfontein, Johannesburg, against payment of deposit of R30 per set and R30 per additional set. Drawings may be purchased for R40 per set, not refundable. Bid deadline Dec. 5.

• **37430 — SOUTH AFRICA** — Government invites suppliers to bid for 450 bogie cement tank wagons type XB-9, Tender No. 1020 71339. Tender documents available from Chief Stores Superintendent, Rm 3, Melhof, 2 Melle St., Braamfontein, Johannesburg, against payment of deposit of R30 per set and R30 per additional set. Drawings may be purchased for R80 per set, not refundable. Bid deadline Jan. 23.

• **37430 — SOUTH AFRICA** — Government invites suppliers to bid for electric locomotives, Tender No. 1020 71349. Tender documents available from Chief Stores Superintendent, Rm 3, Melhof, 2 Melle St., Braamfontein, Johannesburg, against payment of deposit of R50 per set and R50 per additional set. Drawings may be purchased for R100 per set, not refundable. Bid deadline Feb. 27.

• **37430 — SOUTH AFRICA** — Government invites suppliers to bid for 150 narrow-gauge bogie gondola wagons type NG-C1 and 20 narrow-gauge bogie cattle wagons type NG-G8, Tender No. 1020 71270. Tender documents available from Chief Stores Superintendent, Rm 3, Melhof, 2 Melle St., Braamfontein, Johannesburg, against payment of deposit of R30 per set and R30 per additional set. Drawings may be purchased for R40 per set, not refundable. Bid deadline Nov. 28.

Engineering, laboratory, scientific, research instruments

• **38100 — ETHIOPIA** — National University (formerly Haile Selassie University) seeks various types of laboratory equipment for expansion and renovation of science center, including: hot plates and stirrers, stirring motors, hydrogen generators, refrigerators, storage batteries and chargers, ultra-violet and sodium lamps, voltage regulators, transformers, thermostatic baths, water stills, and deionizers. Acquisition financed by IDA loan. First copy of specifications available from University without charge, airmailed; additional copies $3. Dr. Berhanu Abegaz, Department of Chemistry, National University, P.O. Box 1176, Addis Ababa.

Instruments for measurement, analysis and control

• **38240 — YUGOSLAVIA** — Naftagas — RO "Gas", Narodnog Fronta 45/I, 21000 Novi Sad, Tel: (021) 21-677, has issued tender for measuring and regulating stations, 18 at 720 Psia working pressure and 39 at 275 Psia working pressure. Bid deadline Nov. 25. Financing from IBRD loan. Copy of tender documents available from above address, acct. #65700-601-4933, for approx. $12.

• **38250 — INDIA** — Chief Engineer (T&P), Madhya Pradesh Electricity Board, P.B. No. 34, Jabalpur, M.P., has issued tender No. IDA/MPEB/7 for testing equipment including trivector and RSS meters, meggars, energy meters, fault locators and various other items. Bid deadline Dec. 16. Copy of specifications available from above address for $7.

• **38250 — INDIA** — Chief Engineer (Electricity, Genl. Purchase), Karnatka Elect. Board, Cauvery Bhavan, P.B. No. 5315, Bangalore 60,009, has issued tender No. IDA/REC/KEB/4 for 28,000 single-phase meters 230 V, 2 wire; and 5,000 three-phase meters, 400 V. Bid deadline Jan. 24. Copy of specifications available from above address for $6.75.

Manufacturing industries

399999—JAPAN — Metal matches, used in hunting, fishing or camping. Est. annual purchase $2,000. Small-scale maker & distributor of water treatment equip. & combustion devices. Annual sales $500,000; paid-in capital $1,000. Ref: Sanwa Bank, Sakai Br., Osaka. Reply to—Mr. Akira Kobayashi, Mgr., Combustion Research Co., Nakanagao-machi Sakai, Osaka 591. Tel 0722-52-8769.

Scrap materials

50930XX—TAIWAN — Non-ferrous metal scrap for remelting, such as copper or aluminum breakages, wires, etc. 1,000-1,500 m/t for initial order. Buyer will visit U.S. if suppliers are identified. Interested U.S. firms please specify percentage of individual metal, also quote f.o.b. & c.i.f. prices. Cable—Mr. Thomas C Shen, Mgr., Chunte Enterprise Co., Ltd., 22 Chung Shan Road, Pingtung, Taiwan 900. Cable Bunryu Pingtung; tel 077-21663.

5093XXX—MEXICO—Ferrous scrap metal —450 tons. Has import permit & expects to be able to obtain further import permits in future from Govt. of Mexico. Requires 60 tons/mo. for next 7½ months. Manufactures agricultural machinery & appears to be a satisfactory trade contact. Reply to—Lic. Xavier Ruiz Velasco, Mgr., Constructora de Maquinaria Triunfo, S.A., F. Villa 708, Aguascalientes, Mexico. Tel. 51113 or 51343. Bank ref.: Banco de Comercio de Aguascalientes.

Australians Need Raffle Tickets

A South Australian firm wishes to contact U.S. manufacturers or printers of fund raising tickets. Interested U.S. firms should contact the Consulate General of the United States, 24 Albert Rd., Melbourne, APO San Francisco 96405.

Representations

Foreign private firms are interested in agency agreements and/or distributorships for these products.

Industrial chemicals

2819949—NORWAY — Magnesium powder, atomized, type 3, granulation 11. Estab. 1946, agents handling chemicals. Excl. agency. Write, call or telex—Mr. Norten Lind, Man. Dir., Erling & Morten Lind A/S, Skippengaten 20, Oslo 1. Tel: 02/111013; telex 11789. Ref. Den Norske Creditbank, Oslo.

Steel mill products

3315111 — SWEDEN — High quality steel wire rope. Has sub. annual consumption of non-rotating wire ropes & interested in acquiring agency/distr. of such ropes with outer dia. of 16, 18, 22, & 28 mm. Last year's consumption was 80,000 meters, which will probably increase in future. Wants technical specifications with current net export price list & inf. on delivery schedules. Has capital of skr. 2,300,000 & is one of leading Scandinavian companies selling & leasing mobile cranes. According to local credit sources, firm financially sound, & business obligations met satisfactorily. Reply to—Mr. Staffan Feron, AB Kranlyft, Box 17028, S-402 61 Goteborg. Telex: 21168; telephone: 031/84 04 00.

Cutlery, hand tools, general hardware

3429865—AUSTRALIA—Stainless steel refrigerator hardware. Firm now imports from Japan, looking for alternative supply sources. Excl. agency/distr. Reply to—Jan Bloom, Dir., Jan Bloom Agencies, 50 Merrivale Rd., Pymble, NSW 2073. Cable: Jan Bloom Sydney; tel.: 4408405.

Miscellaneous manufacturing industries

3999999 — AUSTRALIA — Globes of the world. Interested in sole Australian representation. Reply to—P. H. Bennett, Wholesale Mgr., Sands & McDougall (Australia) Pty Ltd., 357 Spencer St., Melbourne, Victoria 3000. Phone 03/3280291.

Future Construction Abroad

COLOMBIA—Officials of Colombian National Radio & Television Institute (INRAVISION) have announced plans to acquire $15-17 million in **radio and television equipment** over the next 3-4 years. Projects can be divided into four major categories, as follows: 1) Replacement of radio & television equipment. Tenders will be issued before the end of the year, est. at $5 million. Major items are: 19 television translators of from one to 100 watts cap.; 5 FM stereo transmitters of 10 kilowatts cap., with antennas; 10 FM stereo transmitters of one kilowatt cap., with antennas; 4 television transmitters, 10 kilowatts cap., for installation in Bogota, Medellin, Cali and Sierra Nevada: possibly one 100-kilowatt AM transmitter, with antenna, for Cali. 2) Perhaps as early as the first quarter of 1976, bids will be issued for $3-4 million in AM transmitters as part of a program to expand the national radio network. Project calls for installation of 100-kilowatt transmitters, each with directional or omnidirectional antenna, at Maicao, Cucuta, Pasto, Bucaramanga, Villavicencio and Cali, and a 10-kilowatt unit on San Andres Island. 3) In addition to the four television transmitters noted above, INRAVISION is considering an additional $3 million in transmitters for expansion of the second television network. This is still under study and details are not available. 4) Government is also considering expansion of educational radio and television networks. Details are

not available, and policy decision regarding scope of project will be required. Implementing agency for all these projects is: Instituto Nacional de Radio y Television, Centrol Administrativo Nacional-Can, Bogota, Attn: Dr. Jorge Nassar, Dir. Tecnico. Prequalification for bidding will not be required. However, all companies must have local agent or representative with full authorization. Source of external financing has not yet been determined.

TAIWAN—C. H. Chen, Managing Dir., Famous Co., Inc., P.O. Box 59887, Taipei, Cable: FAMOUSINC, Tel: 3616308, wishes to contact U.S. consulting/engineering firms or manufacturers who can handle **turnkey project for CMC plant** (sodium carbocymethyl cellulose. Cap. 10 M/T per 24 hrs., 3,000 MXT per yr., production grade: 1) crude 50 percent purity, 2) technical 75 percent. Equipment for alkalisation should include: ethorisation, ripening, drying, milling, classification and mixing. Steam and water supply system already available in cellophane plant. Total project value aprox. U.S.$2 million. Interested U.S. firms requested to submit brief description of process with diagrams to Mr. Chen. OPIC.

NICARAGUA—The Government, through the government-owned Banco Nacional de Nicaragua, is preparing to construct additional **grain storage facilities.** Involves three separate facilites: one large 10,000-ton grain storage facility, including handling and drying equipment, in the Granada-Tipitapa area; horizontal silos, including grain handling and drying equipment, with 3,000 to 5,000-ton capacity in the east coast port of Rama; and grain storage facility with 1,000 to 2,000-ton capacity in the Pacific port of Corinto. Storage facilities should be able to handle a variety of basic grains, including wheat, corn, sorghum, rice and beans. In bidding the three separate proposed grain storage facilties will be treated as one project; one bid will be invited for construction of all three facilities. Each bidder will have to prequalify prior to formal bid. No financing has yet been obtained by government. Feasibility study was prepared by Central American White Grain Co., 825 S.W. 94th Ave., Miami, Fla. 33144, consulting firm. They will also do prequalifying of firms. Government agency in charge of implementing project is Banco Nacional de Nicaragua, an autonomous government-owned bank. International bidding will be invited soon. Interested firms should contact ASAP: Ing. Roberto Rodriquez Diaz, Vice President & Chief of the Tech. Dept., Banco Nacional de Nicaragua, Apartado Postal 328, Managua. Tel: 27451 through 27459. OPIC.

CANADA—Government announced a $100 million five-year program of capital assistance to the provinces and municipalities for **Urban transportation.** New communter rail vehicles, stations and platforms, and required traffic control services will be covered. Consideration will also be given to financing other facilities such as express buses on reserved lanes. Program will give preference to Canadian-manufactured vehicles "provided they are available on a timely, quality and competitive basis." Five-year payment period will begin April 1, 1977, and extend to March 31, 1982. Program will be managed by Minister Jean Marchand, Ministry of Transport, Ottawa.

The Overseas Private Investment Corp. (OPIC) offers political risk insurance to U.S. construction firms planning to submit bids on projects in certain developing countries, identified by the "OPIC" notation at the end of some items. For further information on OPIC's construction insurance program, write Information Officer, Overseas Private Investment Corp., Washington, D.C. 20527. Tel: 202-632-1854.

MAURITIUS—Ministry of Education and Cultural Affairs, Project Implementation Unit, Port Louis, plans to **construct, furnish and equip six secondary-level laboratory and workshop centers, six junior technical schools** (lower secondary schools), **one industrial trade training center** (offering courses in maintenance fitting, tractor and heavy duty auto, diesel mechanics, sheet metal, furniture, cabinet making and upholstery) and **five rural education centers,** with credit and loan assistance from World Bank. International bids will be issued first part of 1976 for procurement of equipment, furniture, materials and books. Interested manufacturers and suppliers should send information about their firm to above Ministry. OPIC.

GREECE—Public Petroleum Corp. will invite bids before end of 1975 for one or several **oil drilling operations** in Nestos Delta, near Kavala. Project will be financed from Greek Government budget. Interested firms can contact Public Petroleum Corp., 80 Michalakopoulou St., Athens. OPIC.

INDIA—Mr. S. Krishnaswamy, Chairman, Hindustan Petroleum Corp. (HPC), government-controlled oil refining and marketing firm, announced that HPC is examining feasibility of laying **168 kilometer-pipeline** between Bombay and Pune (previously spelled Poona), the second largest industrial and commercial city in Maharashtra State, to transport petroleum products. Project will cost approx. $26.6 million, mostly in local currency (exchange component not known); pipeline will carry one million metric tons of petroleum products in first stage. Indian Government clearance expected by next year, and construction likely to be completed in next three years. Interested pipeline contractors communicate directly with Mr. Krishnaswamy, Chairman, HPC, 7 Jamshdji Tata Rd., Bombay 400 020. Telex 011-2411. Cable HINDPETCOR. OPIC.

INDIA—International Development Agency has approved a $110 million line of credit to finance major portion of **Indian Railways import requirement** for 20-month period Aug. 75-March 77. Powerpacks, wheels, wheel sets, axles, tires and steel are principal items to be purchased. Official sources estimate that about $26 million of credit will be utilized for imports from U.S. Government of India official having primary responsibility for execution of project is M.N. Bery, Chairman, Railway Board, Rail Dhavan, Raisina Rd., New Delhi 110001.

Peru Building Tourist Hotels

COPBSCO, a Peruvian Government project financed by loans from the Interamerican Development Bank, is building various tourist hotels in the Cusco-Puno area of southern Peru, with 200 and 500 beds capacity each. Offers should include catalogs, price lists and other information materials. Write: Gustavo Malca Barontes, Jefe Area de Proyectos, Ministerio de Industria y Turismo, Direccion Ejecutiva del Plan Copesco, Av. Areguipa 340, Of. 07, Lima.

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Commercial and economic information on most trading partners of the United States is available from the Bureau of International Commerce, U.S. Department of Commerce.

The Bureau is organized geographically with a Country Marketing Manager responsible for a country or group of countries as listed below. Assistance or information about marketing in these countries may be obtained by dialing these key people directly: **202-967** plus the given extension.

Africa	
West and Central Africa	**3865**
East and South Africa	**4927**
Europe	
France and Benelux Countries	**4504**
Germany and Austria	**5228**
Italy, Greece and Turkey	**3944**
Nordic Countries	**3848**
Spain, Portugal, Switzerland and Yugoslavia	**2795**
United Kingdom and Canada	**4421**
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Australia and New Zealand	**2648**
East and South Asia	**5401**
Japan	**2425**
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Latin America	
Brazil, Argentina, Paraguay and Uruguay	**5427**
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Remainder of South America and Caribbean Countries	**2995**

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Commerce Action Group for the Near East

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Bahrain, Iraq, Jordan, Kuwait, Lebanon, Oman, Peoples Democratic Republic of Yemen, Qatar, Saudi Arabia, Syria, United Arab Emirates, Yemen Arab Republic	**5767**
Iran, Israel, Egypt	**3752**

Bureau of East West Trade

Eastern Europe	**2645**
USSR	**4655**
Peoples Republic of China	**3583**